चेन्नै पेट्रोलियम कॉर्पोरेशन लिमिटेड

(इंडियनऑयल की ग्रुप कम्पनी)

Chennai Petroleum Corporation Limited

(A group company of IndianOil)

Expanding Capacity
Increasing Efficiency

54th Annual Report 2019-20

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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

REGISTERED OFFICE

No. 536, Anna Salai, Teynampet,
Chennai – 600 018.
Phone : 044-2434 9833

REFINERIES

Manali Refinery, Manali,

Chennai – 600 068.
Phone: 044-2594 4000

Cauvery Basin Refinery

Panangudi Village, Nagapattinam District,
Tamil Nadu
Phone : 04365-256700
E-mail : investors@cpcl.co.in
Website : www.cpcl.co.in

REGISTRAR & TRANSFER AGENT

M/s.K Fintech Technologies Pvt Ltd

Selenium Tower B, Plot 31-32,
Gachibowli Financial District, Nanakramguda,
Hyderabad – 500 032.
Phone: 040-6716 2222
E-mail id: mohsin.mohd@kfintech.com
Website: www.kfintech.com

PRINCIPAL BANKER

State Bank of India

Corporate Accounts Group Branch, Egmore,
Chennai – 600 006.
Phone: 044-2857 6176

PUBLIC INFORMATION OFFICER

Mr. C.K. Ravikumar,
Dy. General Manager (Admin)
Phone: 044-25944499

COMPLIANCE OFFICER

Mr. P. Shankar
Company Secretary
Phone: 044-2434 6807

AUDITORS

Padmanabhan Ramani & Ramanujam Chartered Accountants

1F, Arudhra, No.15, Habibullah Road,
T.Nagar, Chennai – 600 017.
Phone: 044-4550 2181
E-mail : prrcpcl@gmail.com

Sreedhar, Suresh & Rajagopalan LLP Chartered Accountants

Green Haven Apartments
Door No 3B, 26, 3rd Main Rd,
Gandhi Nagar, Adyar,
Chennai – 600 020
Phone: 044- 2445 3159
E-mail id: suresh@ssrcas.co.in
Website: www.ssrcas.co.in

COST AUDITORS

Vivekanandan Unni & Associates

1-A, Vedammal Avenue,
Dr. Subaraya Nagar Main Road,
Behind Petrol Bunk
Kodambakkam,
Chennai – 600 024.
Mobile No. 98411 50811 / 94459 28279

E-mail : vforvivek@yahoo.co.in
govindanunniparakkat@yahoo.co.in

SECRETARIAL AUDITOR

M/s. A.K. Jain & Associates

No.2 (New No. 3), Raja Annamalai Road
First Floor, Purasaiwalkam
Chennai – 600 084
Tel.: 044 2665 1224

STOCK EXCHANGES

BSE Limited

P.J.Towers, Dalal Street, Mumbai 400 001.
Website: www.bseindia.com

National Stock Exchange of India Ltd., (NSE)

Exchange Plaza, 5th Floor, Plot C/1, 'G'Block,
Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.
Website: www.nseindia.com

DEBENTURE TRUSTEE

SBICAP Trustee Company Ltd.

6th Floor, Apeejay House,
3, Dinshaw Wachha Road,
Churchgate, Mumbai 400 020
Tel: (O) 022 - 4302 5555
E-mail : corporate@sbicaptrustee.com
Website : www.sbicaptrustee.com

Board of Directors

Mr.S.M. Vaidya
Non-Executive Chairman

Mr.S.N.Pandey
Managing Director

Mr.Rajeev Ailawadi
Director(Finance)

Mr.R.Srikanthan
Director(Technical)

Mr.S.Krishnan
Director(Operations)

Ms.Perin Devi
Government Nominee Director

Mr.Mohammad Bagher Dakhili
Nominee Director
Naftiran Intertrade Co Ltd
Tehran, Iran

Mr.Babak Bagherpour
Nominee Director
Naftiran Intertrade Co. Ltd
Tehran, Iran

Mr.D.Duraiganesan
Independent Director

Mr.Amitabh Mathur
Independent Director

Mr.Myneni Narayana Rao
Independent Director

Mrs.Sobha Surendran
Independent Director

Mr.Manoj Sharma
Exe Director (O)
IOC Limited

Executives

Mr. J.T.Venkateswarlu
Chief Vigilance Officer

Mr. B. Panneerselvam
Chief General Manager (Technical)

Mr. P. Subrahmanyam
Chief General Manager (Corporate Planning)

Mr. Tarlana Kamaraju
Chief General Manager (Logistics)

Mr. M. Sankaranarayanan
Chief General Manager (HR & Legal) – Upto 31.07.2020

Mr. V. Shankar
Chief General Manager (CBR-9 MMTPA)

Mr. M.S. Raghunathan
Chief General Manager (Finance)

Mr.P.Jeevankumar
Chief General Manager (Projects and Development/R&D)

Mr. T.N.K.Bapiraju
Chief General Manager (Operations)

Mr. S. Shanmugasundaram
Chief General Manager (Maintenance / Power & Utilities)

Mr. M. Tamizh Muthalvan
Chief General Manager (Human Resources) (from 01.08.2020)

Mr. P. Shankar
Company Secretary

Ten Years Profile

WHAT WE OWE AND WHAT WE OWN

(₹ in Crore)

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
What We Owe										
Equity Share Capital	149	149	149	149	149	149	149	149	149	149
Reserves	3617	3644	1877	1573	1506	2212	3165	3708	3161	1043
Networth	**3766**	**3793**	**2026**	**1722**	**1655**	**2361**	**3314**	**3857**	**3310**	1192
Preference Share Capital	-	-	-	-	-	1042	1080	1080	547	572
Borrowings	4223	3672	5906	5600	5600	5399	3567	4501	6121	8126
Deferred Tax Liability	604	638	707	703	-	-	24	206	121	-
Total	**8593**	**8103**	**8639**	**8025**	**7054**	**6970**	**8919**	**8554**	**10099**	**9890**
What We Own										
Fixed Assets	6246	6886	8056	8166	8176	4379	4456	6829	8341	8889
Less: Depreciation	2828	3185	3499	3882	4106	265	578	940	1387	1876
Fixed Assets (Net WDV)	**3418**	**3701**	**4557**	**4284**	**4070**	**4114**	**3878**	**5889**	**6954**	**7013**
Intangible Assets	42	48	48	49	49	6	7	28	28	28
Less: Amortisation	25	33	37	41	42	1	2	3	5	6
Intangible Assets (Net WDV)	**17**	**15**	**11**	**8**	**7**	**5**	**5**	**25**	**23**	**22**
Capital WIP	1156	1019	176	364	840	1753	2843	1439	1221	1603
Investments	23	24	24	25	25	12	12	12	12	12
Deferred Tax Asset	-	-	-	-	-	-	-	-		934
Working Capital	3979	3344	3871	3344	2112	1085	2181	1190	1889	306
Total	**8593**	**8103**	**8639**	**8025**	**7054**	**6970**	**8919**	**8554**	**10099**	**9890**

FINANCIAL INDICATORS

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Debt Equity Ratio (as per Companies Act)	1.12	0.97	2.91	3.25	3.26	1.05	1.02	0.69	1.59	4.60
Earnings per share (₹)	34.35	4.15	(118.65)	(20.40)	(2.62)	49.82	69.15	61.31	(14.33)	(139.52)
Profit After Tax to Average Networth (%)	14.15	1.64	(60.72)	(16.21)	(2.31)	36.94	36.29	25.46	(5.95)	(92.30)
Dividend (%)	120	20	-	-	-	40	210	185	-	-
Dividend Payout (%)	34.93	48.17	-	-	-	8.03	30.37	30.18	-	-

WHAT WE EARNED AND WHAT WE SPENT

(₹ in Crore)

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
WHAT WE EARNED										
Income										
Turnover	38128	45385	46842	53924	47878	34954	40586	44135	52177	48624
Interest	28	44	12	14	26	16	16	19	29	18
Miscellaneous Receipts	88	41	29	45	29	38	46	73	54	87
Change in Inventories	447	537	205	72	(1321)	(209)	(105)	607	410	(990)
Prior Period Income/ (Expenses)	-	(9)	(1)	13	(4)	-	-	-	-	-
Sub-Total	**38691**	**45999**	**47087**	**54068**	**46608**	**34799**	**40543**	**44834**	**52670**	**47739**
WHAT WE SPENT										
Expenditure										
Raw Materials	31557	39731	42709	47469	39558	23107	24442	29728	39634	36698
Excise Duty	5026	4630	3996	4583	6010	9125	12916	11661	10863	11533
Manufacturing Expenses	217	224	296	306	277	310	315	322	448	447
Employee Benefits Expenses	240	253	315	292	339	357	513	582	461	512
Other Expenses	319	705	625	791	536	515	378	418	688	628
Finance Costs	254	249	469	568	404	352	273	321	420	413
Depreciation and Amortisation	314	365	375	390	226	274	279	340	453	468
Impairment on PPE/CWIP/ Intangible Assets	-	-	-	-	-	-	62	4	1	54
Sub-Total	**37927**	**46157**	**48785**	**54399**	**47350**	**34040**	**39178**	**43376**	**52968**	**50753**
Profit Before Tax	**764**	**(158)**	**(1698)**	**(331)**	**(742)**	**759**	**1365**	**1458**	**(298)**	**(3016)**
Provision for Taxation	252	(220)	69	(27)	(703)	17	335	545	(85)	(938)
Profit After Tax	**512**	**62**	**(1767)**	**(304)**	**(39)**	**742**	**1030**	**913**	**(213)**	**(2078)**
Other Comprehensive Income	-	-	-	-	-	(2)	(6)	6	(2)	(40)
Total Comprehensive Income	**512**	**62**	**(1767)**	**(304)**	**(39)**	**740**	**1024**	**919**	**(215)**	**(2117)**
Dividend incl. Dividend Distribution Tax	208	35	-	-	-	72	376	332	-	-

Details of significant changes of 25% or more as compared to the immediately previous financial year in the following financial ratios

Ratio	2018-19	2019-20	Change in %
Debtors turnover ratio (No. of Days)	2.29	0.93	59%
Inventory turnover ratio (No. of Days)	45.13	22.87	49%
Interest coverage ratio	0.29	(6.30)	(2272%)
Debt Equity Ratio	1.59	4.60	(190%)
Operating profit margin (%)	(0.86)	(8.34)	(866%)
Net Profit Margin (%)	(0.52)	(5.60)	(985%)
Return on Net Worth	(0.06)	(1.74)	(2603%)

Chennai Petroleum Corporation Limited
(A group company of IndianOil)
Regd. Office: 536, Anna Salai, Teynampet, Chennai 600 018.
Website: www.cpcl.co.in; Email id: shankarp@cpcl.co.in
Tel: 044-24349833 / 24346807
CIN: L40101TN1965GOI005389

Notice

Notice is hereby given that the 54th Annual General Meeting of the members of CPCL will be held on **Friday, the 11th September 2020, at 3.00 pm.** through Video Conference (VC)/ Other Audio Visual Means (OAVM), to transact the following businesses

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Financial Statement of the Company (Standalone and Consolidated) for the period from 1st April 2019 to 31st March 2020, together with the Directors' Report and the Auditor's Report.
2. To appoint a Director in place of Mr Rajeev Ailawadi (DIN No:07826722), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. S.M.Vaidya (DIN 06995642), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESSES:

4. APPOINTMENT OF Mr. S. KRISHNAN (DIN 08691391) AS A DIRECTOR

To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 161(1) of the Companies Act 2013 read with Rules made thereunder including any statutory modifications or re-enactment thereof for the time being in force and the Articles of Association of the Company, Mr.S.Krishnan (DIN 08691391) who was appointed as an Additional Director and designated as Director(Operations) by the Board of Directors with effect from 01.03.2020 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director(Operations) of the Company liable to retire by rotation."

5. APPOINTMENT OF MRS. SOBHA SURENDRAN (DIN No 08599985) AS AN INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 161(1), 149 & 152 and other applicable provisions of the Companies Act 2013 read with Rules made thereunder including any statutory modifications or re-enactment thereof for the time being in force, the Articles of Association of the Company and Regulation 17 of the SEBI (Listing obligations and Disclosure Requirements) Regulations 2015, Mrs. Sobha Surendran (DIN 08599985) who was appointed as an Additional Director and designated as Independent Director by the Board of Directors with effect from 31.10.2019 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a period of 3 years from the date of appointment by the Board, not liable to retire by rotation."

6. APPOINTMENT OF MR.MANOJ SHARMA (DIN 08777977) AS A DIRECTOR

To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with Rules made thereunder including any statutory modifications or re-enactment thereof for the time being in force and the Articles of Association of the Company, Mr. Manoj Sharma (DIN 08777977) who was appointed as an Additional Director by the Board of Directors with effect from 24.07.2020 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director liable to retire by rotation."

7. RATIFICATION OF REMUNERATION OF COST AUDITOR FOR THE YEAR 2020-21

To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 2,50,000 /- (Rupees Two lakh fifty thousand only) plus applicable taxes and out of pocket expenses if any, to conduct the audit of cost accounts maintained by the company for the financial year 2020-21 payable to M/s. Vivekanandan Unni & Associates, Cost Accountants, Chennai, the cost auditor of the company be and is hereby ratified".

By order of the Board of Directors
For Chennai Petroleum Corporation Limited

(P. Shankar)
Company Secretary
Regd. Office: 536, Anna Salai,
Teynampet, Chennai 600 018.
Email id: shankarp@cpcl.co.in
CIN: L40101TN1965GOI005389

Date: 17.08.2020
Place: Chennai

Notes for e-AGM Notice:

1. In view of the prevailing lock down situation across the country due to outbreak of the COVID-19 pandemic and restrictions on the movements apart from social distancing, MCA (Ministry of Corporate Affairs) vide circular Nos. Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 05, 2020, permitted companies to hold their AGM through VC/OAVM for the calendar year 2020.

2. In compliance with applicable provisions of the Companies Act, 2013 read with aforesaid MCA circulars, the 54thAnnual General Meeting of the company being conducted through Video Conferencing (VC) herein after called as "e-AGM".

3. e-AGM: Company has appointed M/s KFin Technologies Private Limited, Registrars and Transfer Agents, to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.

4. Pursuant to the provisions of the circulars of MCA on the VC/OAVM(e-AGM):

   a. Members can attend the meeting through log in credentials provided to them to connect to Video conference. Physical attendance of the Members at the Meeting venue is not required

   b. Appointment of proxy to attend and cast vote on behalf of the member is not available.

   c. Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

   Corporate / Institutional members are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email ID: lbandco.cs@gmail.com, with a copy marked to evoting@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "CPCL, 54th Annual General Meeting".

5. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

6. Up to 1000 members will be able to join on a FIFO basis to the e-AGM.

7. No restrictions on account of FIFO entry into e-AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

8. The attendance of the Members (members logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

9. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, the 5th September 2020 to Friday, the 11th September 2020 (both days inclusive), for determining the eligibility of shareholders to participate in the 54th AGM.

10. A statement setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business as to be transacted at the Meeting is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is also annexed.

11. Reserve Bank of India has initiated NECS (National Electronic Clearing System) facility for credit of future dividends directly to the Bank account of the members. Hence members are requested to register their Bank account details (core banking solutions enabled account number, 9 digit MICR code and 11 digit IFSC code) in respect of shares held in dematerialized form with their respective depositary participants i.e., the agency where the demat account has been opened and in respect of shares held in physical form with the RTA or at the registered office of the company.

12. Non-resident Indian members are requested to inform the RTA, M/s.KFin Technologies Private Limited, Hyderabad immediately about:

    (i) Change in their residential status on return to India for permanent settlement.

    (ii) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

13. Members may send their requests for change / updation of Address, Email address, Nominations:

    - **For shares held in dematerialised form** - to their respective Depository Participant

    - **For shares held in physical form** - to the RTA, M/s. KFin Technologies Private Limited, Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad – 500032 or at the registered office of the Company

14. 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, email ids and mobile number to M/s. KFin Technologies Private Limited, the Share Transfer Agents of the Company.

15. As per the provisions of Section 124(5) of the Companies Act 2013, the dividends which remain unpaid/unclaimed for a period of 7 years is to be transferred to the Investor Education and Protection Fund. Accordingly, the Company has transferred all unclaimed dividend declared upto the financial year 2011-12, to Investor Education & Protection Fund (IEPF) established by the Central Government.

    Further, Section 124(6) of the Companies Act, 2013 read with rules made thereunder provide that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of Investor Education and Protection Fund. The Company had sent reminder letters to all such shareholders, whose dividend had remained unclaimed for a consecutive period of 7 years i.e., 2011-12 to 2018-19, with a request to claim the dividends, failing which the shares would be transferred to the IEPF Authority on the due date. Thereafter such shares were transferred to IEPF in November 2019. The details of such shares were also hosted in the website of the Company www.cpcl.co.in.

    It would be noted that no dividend has been declared by the company for the year 2012-13 and hence no dividend amount and underlying shares remain to be transferred upon completion of 7 years, in October/November 2020, to IEPF. No dividend was declared for the financial year 2008-09, 2012-13 to 2014-15 and 2018-19. The dividend for the financial year 2015-16, 2016-17 and 2017-18 which remains unclaimed for a period of 7 years would be transferred to the IEPF on respective due dates. The members, who have not encashed their dividend warrants so far, for the financial years 2015-16, 2016-17 and 2017-18 may write to the RTA, M/s. KFin Technologies Private Limited, Hyderabad or at the registered office of the Company for claiming the unpaid dividend.

    Further, Section 125 of the Companies Act, 2013 provides that a shareholder whose dividend amount / shares have been transferred to the IEPF shall be entitled to claim refund therefrom. The procedure for claiming the unclaimed dividend amount and shares transferred to the IEPF is provided on the following link https://www.cpcl.co.in/IEPF.

16. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's RTA for assistance in this regard.

17. A brief Resume of the Directors of Company, seeking appointment/re-appointment at this Annual General Meeting, and their expertise in specific functional areas, is given as part of the Notice of 54th Annual General Meeting.

    The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and other relevant documents will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM i.e. 11.09.2020 Members seeking to inspect such documents can send an email to investors@cpcl.co.in/ shankarp@cpcl.co.in/sriramas@cpcl.co.in.

18. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and SEBI (LODR), Annual Report of the Company is required to be sent through email to those members whose email address is registered and in physical form to those members who have not registered their email address.

    However, as per "MCA Circulars" and SEBI Circular dated 12.05.2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those members whose email address is registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.cpcl.co.in and in websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFIN Technologies Pvt Ltd ie www.kfintech.com.

19. Instructions for the Members for attending the e-AGM through Video Conference:

(i) Attending e-AGM, through Video confrenece: Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by M/s KFin Technologies Private Limited. Members may access the same at https://emeetings.kfintech.com" and click on the "video conference" and access the shareholders/members login by using the remote e-voting credentials. The link for e-AGM will be available in shareholder/members login where the EVENT and the name of the company can be selected.

(ii) Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.

(iii) Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.

(iv) Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.

(v) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

(vi) Members who need assistance before or during the AGM, can contact RTA viz., KFin Technologies Pvt Ltd on evoting@karvy.com/or contact Mr. Mohsin, Senior Manager, KFin Technologies Pvt Limited at 040-67161562/ 91774 01094.

(vii) **AGM Questions prior to e-AGM:** Shareholders who would like to express their views/ask questions during the meeting may log into https://emeetings.kfintech.com/ and click on "Post your Questions" may post their queries/views/questions in the window provided by mentioning the name, demat account number/ folio number, email id, mobile number. Please note that, members questions will be answered only, if the shareholder continue to hold the shares as of cut-off date benpos. The post of the questions shall commerce on Sunday, the 6th September 2020 at 9.00 AM and close on Tuesday, the 8th September 2020 at 5.00 PM.

(viii) **Speaker Registration during e-AGM session:** Members may log into https://emeetings.kfintech.com/ and click on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit. The speaker registration shall commerce on Sunday, the 6th September 2020 at 9.00 AM and close on Tuesday, the 8th September 2020 at 5.00 PM

20. Instructions for members for e-Voting during the e-AGM session:

(i) The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the chairman during the e-AGM proceedings. Shareholders shall click on the same to take them to the "instapoll" page

(ii) Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.

(iii) Only those shareholders, who are present in the e-AGM and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the e-AGM.

21. REMOTE E-VOTING THROUGH ELECTRONIC MEANS

In terms of the provisions of section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and Regulation 44 of the Listing Regulations, the Company is providing facility of remote e-voting to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on Friday, the 4th September 2020 (end of day), being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by KFin or to vote at the e-AGM. Person who is not a member as on the cut-off date should treat this Notice for information purposes only.

The details of the process and manner for remote e-voting are given below:

i. Initial password is provided in the body of the email.

ii. Launch internet browser and type the URL: https://evoting.karvy.com in the address bar.

iii. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.

iv. After entering the details appropriately, click on LOGIN.

v. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vi. You need to login again with the new credentials.

vii. On successful login, the system will prompt you to select the EVENT i.e. Chennai Petroleum Corporation Ltd.

viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.

ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

x. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

xi. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at lbandco.cs@gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'CPCL_EVENT No.'

xii. Members can cast their vote online from Monday, the 7th September 2020 (9.00 a.m.) till Thursday, the 10th September 2020 (5.00 p.m.). Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked.

xiii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of https://evoting.karvy.com or call KFin on 1800 345 4001 (toll free).

22. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company, as on the cut-off date.

23. The Company has appointed M/s. LB & Co., Company Secretaries, as Scrutinizer to scrutinize the remote e-voting and e-voting during the AGM in a fair and transparent manner.

24. The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, first count the electronic votes cast during the e-AGM and thereafter unblock and count the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the e-AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or any other person authorised by him.

25. The Results on resolutions shall be declared within 48 hours of the conclusion of the e-AGM and the resolutions will be deemed to be passed on the e-AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.

26. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.cpcl.co.in and on the website of KFin Technologies Pvt Ltd https://www.evoting.karvy.com immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

27. Process for registration of email address for obtaining Annual Report and user id/password for e-voting and updation of bank account mandate for receipt of dividend:

Physical Holding

Send a request to the RTA i.e. Kfin at einward.ris@kfintech.com providing Folio No., Name of member, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) for registering email address.

Following additional details need to be provided in case of updating Bank Account Details:

a) Name and Branch of the Bank in which you wish to receive the dividend,

b) the Bank Account type,

c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions

d) 9 digit MICR Code Number,

e) 11 digit IFSC Code

f) a scanned copy of the cancelled cheque bearing the name of the first member.

Demat Holding

Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

Further, those members who have not registered their email addresses and mobile nos. and in consequence could not be served the Annual Report and Notice of AGM, may temporarily get themselves registered with KFin, by clicking the link **http://ris.kfintech.com/email_registration/** for sending the same.

STATEMENT SETTING OUT THE MATERIAL FACTS RELATING TO THE SPECIAL BUSINESSES IN PURSUANCE OF SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No. 4

Mr. S. Krishnan, was appointed as an Additional Director with effect from 01.03.2020. As per the provisions of Section 161 of the Companies Act, 2013, Mr. S. Krishnan will hold office only upto the date of the 54th Annual General Meeting of the Company.

A Notice under section 160 of the Companies Act, 2013 has been received proposing the appointment of Mr.S.Krishnan, as a Director along with the deposit amount as prescribed under the Companies Act, 2013.

Mr. S. Krishnan is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and is not debarred from holding the office of Director by virtue of any order of SEBI / any other authority. None of the Directors / Key Managerial Personnel of the Company and their relatives are interested or concerned in the resolution except Mr.S.Krishnan.

The Board therefore, recommends the Ordinary Resolution for approval by members.

Item No.5

Mrs. Sobha Surendran was appointed as an Additional Director and designated as Independent Director with effect from 31.10.2019. As per the provisions of Section 161 of the Companies Act, 2013, Mrs.Sobha Surendran will hold office only upto the date of the 54th Annual General Meeting of the Company.

A Notice under section 160 of the Companies Act, 2013 has been received proposing the appointment of Mrs.Sobha Surendran as a Director under the Companies Act, 2013.

Mrs. Sobha Surendran is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. None of the Directors / Key Managerial Personnel of the Company and their relatives are interested or concerned in the resolution except Mrs.Sobha Surendran.

The Company has received a declaration from Mrs. Sobha Surendran that she meets the criteria of independence as prescribed under Section 149(6) of the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mrs. Sobha Surendran is not debarred from holding the office of Director by virtue of any order of SEBI / any other authority.

In the opinion of the Board, Mrs.Sobha Surendran fulfils the criteria of independence as specified in the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and is independent of the Management.

The Board therefore, recommends the Ordinary Resolution for approval by members.

Item No. 6

Mr. Manoj Sharma, was appointed as an Additional Director with effect from 24.07.2020. As per the provisions of Section 161 of the Companies Act, 2013, Mr. Manoj Sharma will hold office only upto the date of the 54th Annual General Meeting of the Company.

A Notice under section 160 of the Companies Act, 2013 has been received proposing the appointment of Mr.Manoj Sharma, as a Director along with the deposit amount as prescribed under the Companies Act, 2013.

Mr. Manoj Sharma is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and is not debarred from holding the office of Director by virtue of any order of SEBI / any other authority. None of the Directors / Key Managerial Personnel of the Company and their relatives are interested or concerned in the resolution except Mr. Manoj Sharma.

The Board therefore, recommends the Ordinary Resolution for approval by members.

Item No. 7

The proposal for appointment of M/s.Vivekanandan Unni & Associates, Cost Accountants, Chennai as the Cost Auditor of the Company for the Financial Year 2020-21 at a remuneration of ₹ 2,50,000/- plus applicable taxes and out of pocket expenses, if any, to conduct the audit of cost accounts maintained by the company was recommended by the Audit Committee and the Board on 28.07.2020 and 29.07.2020 respectively

As per Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditor recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified subsequently by the members of the company.

Hence the present resolution for remuneration of ₹ 2,50,000/- plus applicable taxes and out of pocket expenses, if any, to conduct the audit of cost accounts maintained by the company for the Financial Year 2020-21 payable to M/s. Vivekanandan Unni & Associates, Cost Accountants, Chennai, the cost auditors of the company is proposed for ratification by the members.

None of the Directors, key Managerial Personnel and their relatives are interested in the resolution except the Cost Auditor

The Board therefore, recommends the Ordinary Resolution for approval by members.

BRIEF RESUME OF THE DIRECTORS OF THE COMPANY, SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 54TH ANNUAL GENERAL MEETING

1) Mr. Rajeev Ailawadi, born on 23.02.1963, was appointed as Director (Finance) effective 08.05.2018. He is a Chartered Accountant and holds an MBA from University of Ljubljana, Slovenia. He has 3 decades of experience in downstream Oil and Gas and Petrochemical businesses. His tenure is upto 28.02.2023.

   Mr. Rajeev Ailawadi is the member of Risk Management Committee, Stakeholders Relationship Committee, CSR & SD Committee, Board Project Committee and Planning & Projects Committee. He is the Permanent Invitee of Audit Committee in CPCL and Chairman of Audit Committee, IAL. He is not holding shares in the Company. Inter-se relationship between Directors is none.

Number of Board Meeting attended during 2019-20	-	6
Details of Directorships in other companies	-	2
Membership / Chairmanship in the Committees of other companies	-	1
No. of Shares held in the company as on date	-	NIL
Relationship between Directors and Key Managerial Personnel	-	None

2) Mr. S.M. Vaidya, born on 07.08.1963, was appointed on the Board of the company effective 01.08.2019. He was appointed as the Non-Executive Chairman effective 01.07.2020 by the Ministry of Petroleum and Natural Gas, Government of India vide letter dated 15.07.2020. He is a Graduate in Chemical Engineering from NIT, Rourkela and a diploma in Business Management. He joined IOCL in 1987 and worked in various positions at Panipat Refinery and was involved in the commissioning and stabilization of Panipat Refinery Units. Presently he is the Chairman, IOCL.

   In IOCL, he is member of Nomination and Remuneration Committee. He is not holding shares in CPCL. Inter-se relationship between Directors is none.

Number of Board Meeting attended during 2019-20	-	3
Details of Directorships in other companies	-	2
Membership / Chairmanship in the Committees of other companies	-	1
No. of Shares held in the company as on date	-	NIL
Relationship between Directors and Key Managerial Personnel	-	None

3) Mr. S. Krishnan, born on 05.07.1963, was appointed as Director (Operations) effective 01.03.2020. He holds a Bachelors Degree in Electrical & Electronics Engineering from Alagappa Chettiar College of Engineering, Karaikudi. He has more than three decades of experience in CPCL and has held various positions in the fields of Projects, Maintenance, Operations etc.

   Mr. S. Krishnan, is the member of Risk Management Committee, and Board Project Committee of CPCL. He is holding 200 shares in CPCL. Inter-se relationship between Directors is none.

Number of Board Meeting attended during 2019-20	-	NA
Details of Directorships in other companies	-	NIL
Membership / Chairmanship in the Committees of other companies	-	NIL
No. of Shares held in the company as on date	-	200
Relationship between Directors and Key Managerial Personnel	-	None

4) Smt. Sobha Surendran, born on 24.03.1974, was appointed on the Board effective 31.10.2019. She holds a Bachelor's Degree in Arts and Hindi. She is a social worker for the past 23 years in the areas of Women Safety, Child Safety, Tribal issues, etc. She has won B.R. Ambedkar Award for Best Social Worker and Shri. K.R. Narayanan Award for Best female social worker and several awards from Spiritual Organisations.

   Mrs. Sobha Surendran, is the member of Stakeholders Relationship Committee. She is not holding any shares in CPCL. Inter-se relationship between Directors is none.

Number of Board Meeting attended during 2019-20	-	1
Details of Directorships in other companies	-	NIL
Membership / Chairmanship in the Committees of other companies	-	NIL
No. of Shares held in the company as on date	-	NIL
Relationship between Directors and Key Managerial Personnel	-	None

5) Mr. Manoj Sharma born on 24.10.1961 was appointed on the Board effective 24.07.2020. He is a Graduate in Chemical Engineering from University Institute of Chemical Engineering & Technology, Punjab University, Chandigarh in 1984 and holds an MBA from University of Ljubljana, Slovenia. He Joined Indian Oil Corporation Limited in 1985 and worked in various positions at Guwahati Refinery, Mathura Refinery, Corporate Office, (International Trade), Panipat Refinery and Refinery Head Quarters, New Delhi. Presently, he is Executive Director (Operations), IOCL, responsible for reliable, safe, profitable & sustainable operations of the nine IndianOil Refineries and Petrochemical plants.

Mr. Manoj Sharma is the chairman of Board Project Committee, and member of Nomination and Remuneration Committee and Risk Management Committee of CPCL.

Details of Directorships in other Companies	-	1
Inter-se relationship between Directors is none.		
No. of Shares held in the company as on date	-	NIL
Relationship between Directors and Key Managerial Personnel	-	None

By order of the Board of Directors
For Chennai Petroleum Corporation Limited

(P. Shankar)
Company Secretary
Regd. Office: 536, Anna Salai,
Teynampet, Chennai 600 018
Email id:shankarp@cpcl.co.in
CIN: L40101TN1965GOI005389

Date : 17.08.2020
Place : Chennai

Report on Corporate Governance: 2019-20

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

At CPCL, the goal of corporate governance is to ensure fairness for every stakeholder. Good Corporate Governance practices are a sine qua non for sustainable business that aims at generating long term value to all its shareholders and other stakeholders. CPCL has measures to periodically review and revise the Corporate Governance practices by subjecting business processes to audits and checks, that measures up to the required standards.

CPCL firmly believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plants, transparency in decision making process, fair & ethical dealings with all and accountability to all the stakeholders.

CPCL has a well-defined governance framework which is reflected in the following policies formulated by the Company:

- Code of Conduct for Board Members and Senior Management Personnel;
- Insider Trading Code;
- Human Resource initiatives.
- CSR & SD Policy;
- Whistle-Blower Policy.
- Dividend Distribution Policy
- Policy on related party transactions
- Policy for determination of material / price sensitive information
- Policy for preservation of documents;

  The above policies have been posted on the website of the company and can be accessed at http;//www.cpcl.co.in/Document
- Risk Management Policy;
- Integrity Pact;
- Conduct, Discipline and Appeal Rules for Employees;

2. BOARD OF DIRECTORS:

a) COMPOSITION OF THE BOARD OF DIRECTORS:

The Board of CPCL comprises of Executive (Whole-Time) Directors, Non-Executive (Part-Time) Government Nominee Directors and Non-Executive (Part-Time) Independent Directors and Directors representing the Promoters viz., Indian Oil Corporation Limited and Naftiran Inter-trade Company Ltd. The Independent Directors are eminent persons with proven record in diverse areas like Engineering, Nuclear Science, Business Administration, Public Affairs etc.

The tenure of the Directors appointed on the Board is as under:

- Whole Time Directors are appointed for a period of 5 years or their date of superannuation, whichever is earlier;
- Government Nominee Directors are appointed on ex-officio basis during their tenure in Ministry of Petroleum & Natural Gas (MoP&NG).
- Independent Directors are appointed for a period of 3 years;

b) As on 31.03.2020, CPCL Board comprises of the following categories of Directors:

One Non-Executive Chairman, who is the Chairman of Indian Oil Corporation Limited (the Holding Company); Managing Director; Three whole-time Functional Directors, viz., Director (Operations), Director (Finance) and Director (Technical); Director (Refineries) of Indian Oil Corporation Limited, representing holding company; One Woman Director, representing Ministry of Petroleum & Natural Gas, Government of India; 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 and Four Non-Functional Part-Time Independent Directors including One Woman Independent Director.

The details are as under:

Sl. No.	Name & DIN	Category	Designation	Date of appointment	Tenure upto
1.	Shri Sanjiv Singh 05280701	Non-Executive	Non-Executive Chairman	03.07.2014	30.06.2020
2.	S.N.Pandey 08062182	Whole-time Director	Managing Director	01.02.2018	31.01.2021
3.	Rajeev Ailawadi 07826722	Whole-time Director	Director (Finance)	08.05.2018	28.02.2023
4.	R.Srikanthan 08198470	Whole-time Director	Director (Technical)	13.08.2018	30.09.2020
5.	S.Krishnan 08691391	Whole-time Director	Director (Operations)	01.03.2020	31.07.2023
6.	S.M.Vaidya 06995642	Non-Executive Director	Nominee of IOCL	01.08.2019	Till further orders from IOCL
7.	Mrs.Perin Devi 07145051	Government Nominee Director	Director, MOP&NG	24.11.2017	For a period of 3 years on co-terminus basis or until further orders from MOPNG whichever is earlier
8.	Mohammad Bagher Dakhili 07704367	Non-Executive Director	Nominee of NICO	23.01.2017	Till further orders from NICO
9.	Babak Bagherpour 08341090	Non-Executive Director	Nominee of NICO	27.03.2019	Till further orders from NICO
10.	D.Duraiganesan 08200628	Non-Executive Director	Independent Director	14.08.2018	3 years
11.	Amitabh Mathur 07275427	Non-Executive Director	Independent Director	29.07.2019	3 years
12.	Myneni Narayanan Rao 00577494	Non-Executive Director	Independent Director	29.07.2019	3 years
13.	Sobha Surendran 08599985	Non-Executive Director	Independent Director	31.10.2019	3 years

Out of the total number of Thirteen Directors as on 31.03.2020, Nine 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 Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, introduced by SEBI vide Notification dated 02.09.2015, if the non-executive Chairman is a Promoter of the Company or is related to any promoter or person occupying Management positions at the Board level or at one level below the Board, atleast one-half of the Board of the Company shall consist of Independent Directors. Since, the Company has a non-executive Chairman who is also the Chairman of Indian Oil Corporation Limited, the holding company, the Company needs to have 9 Independent Directors.

Presently, the Company has four Independent Directors as against the requirement of 9 and Two Woman Directors as against the minimum requirement of 1. CPCL being a Government Company under the administrative control of Ministry of Petroleum and Natural Gas, the power to appoint Directors, including independent Directors, vests with the Government of India. The appointment of additional Independent Directors is under the consideration of Government of India.

None of the Directors hold office in more than ten Public Companies. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies. All Directors are also in compliance with the limit on Independent Directorships of listed companies as prescribed under Regulation 25(1) of the Listing Regulations. It is confirmed that the Independent Directors fulfil the conditions specified in these regulations and that they are Independent of the management.

CRITERIA OF INDEPENDENCE

Based on the disclosures received from all the independent directors and also in the opinion of the Board, the Independent Directors fulfill the criteria of independence as specified in the Companies Act, 2013, the rules notified thereunder as well as SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 SEBI (LODR) and are independent of the Management.

In line with the amendment to Companies Accounts Rules 2014, a para on expertise, experience and proficiency of the Independent Directors appointed during the year has been added in the Directors Report 2019-20.

The Letters issued to Independent Directors regarding their appointment alongwith letters from Ministry of Petroleum and Natural Gas, are hosted on the website of the Company www.cpcl.co.in.

As required under the SEBI (LODR), M/s L.B. & Co., Practicing Company Secretary, has certified that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Ministry of Corporate Affairs or any such statutory authority.

CPCL being a Government Company, all the Directors on its Board viz. Functional Directors, Government Directors and Independent Directors are selected and appointed by the Government as per a well laid down process for each category of Director. The list of core skills, expertise and competence required for the Board to function effectively, in context of the Company's business, forms an integral part of the Government's process for selection of the Directors. In view thereof, the Board of CPCL has not identified any such core skills or expertise or competence required by a Director as required under SEBI (LODR) Regulations, 2015.

c) BOARD MEETINGS:

The Board of Directors looks after the overall functioning of the Company and has formulated objectives in order to achieve the objectives of the Company. The Board has constituted various Committees in line with the statutory requirements which facilitates expeditious decision making process. The facility of participation in the meetings through video conferencing is provided to the Directors as and when requested. For paperless Board Meetings, the agenda items are uploaded on a digital platform (Board Portal) which can be accessed by the Directors (other than Directors representing NICO) electronically on their electronic device in a secured manner.

Presentations are made to the Board on various functional and operational and financial areas as well as on major projects, etc.

d) INFORMATION PLACED BEFORE THE BOARD:

The agenda placed before the Board inter-alia includes the following:

- Capital and Revenue Budget
- Memorandum of Understanding with Indian Oil Corporation Limited, the Holding Company
- MoU Evaluation report
- Quarterly and Annual Financial results
- Constitution of Board Committees with terms of reference
- Dividend declaration
- Minutes of the Meetings of the Sub-Committees of the Board
- New Project Proposals
- Safety and Security related matters
- Significant developments between two Board Meetings
- Status of the various Plan and Non-Plan Projects
- Action Taken Report on the Risk Management Policy
- HR related issues
- Quarterly Periodic Performance Reports on Manpower, Investment, Borrowings, Cash Flow Statement, Plan and Non-Plan control reports
- General Notices / matters of Interest of Directors
- Secretarial Audit Report; Corporate Governance Report; Share capital Audit Report
- Report on Share Transfers, Transmissions, Issue of Duplicate Share Certificates and Status of Investor Grievances
- Compliance of applicable laws
- Action Taken Report on the decisions of the Board.

The Minutes of the Board and Sub-Committee meetings are prepared after the Board / Sub-Committee Meetings and circulated to all Directors /members for their comments, if any, after the clearance of Functional Directors and Managing Director. Thereafter approval of the Chairman is obtained. The approved minutes are then circulated to the concerned department for implementation. Action Taken Report on the decision of the Board is obtained and submitted to the Board periodically.

e) Six Board meetings were held during the year 2019-20 on the following dates:

Board Meeting No.	Board Meeting Date	Board strength	Number of Directors present
330	08.05.2019	12	12
331	29.06.2019	12	11
332	29.07.2019	12	11
333	21.08.2019	14	13
334	17.10.2019	14	13
335	18.01.2020	15	15

Attendance of Directors at the Board Meetings held during the financial year 2019-20 and at the last Annual General Meeting held on 21.08.2019; Number of other directorships, and Number of memberships / chairmanships held by the Directors in the committees of various companies are as under:

NAME OF THE DIRECTOR	NO. OF BOARD MEETINGS ATTENDED OUT OF MEETINGS HELD DURING THE TENURE OF DIRECTOR	ATTENDANCE AT THE AGM ON 21.08.2019 (YES/NO/NA)	NO. OF DIRECTORSHIP IN OTHER COS. AS ON 31.03.2020	MEMBERSHIP OF COMMITTEES IN OTHER COS. INCL. CPCL AS ON 31.03.2020	CHAIRMANSHIP OF COMMITTEES IN OTHER COS. INCL. CPCL AS ON 31.03.2020
Non-Executive Chairman					
Mr. Sanjiv Singh	6(6)	YES	5 Refer Note -1	1 (NRC – IOCL & Petronet LNG)	---
Whole-Time Directors					
Mr. S.N. Pandey, Managing Director	6(6)	YES	2 (IAL & AROCHEM)-Non-Executive	1 (PPC CPCL)	1 (RMC – CPCL)
Mr. G. Aravindan, Director (Operations) (Upto 29.02.2020)	6(6)	YES	2 (IAL & AROCHEM)-Non-Executive	4 (RMC, BPC, PPC & CSR&SD – CPCL)	NIL
Mr. Rajeev Ailawadi, Director (Finance)	6(6)	YES	2 (IAL & AROCHEM)-Non-Executive	5 (RMC, SRC, PPC, BPC & CSR&SD – CPCL)	IAL - AC
Mr. R. Srikanthan, Director (Technical)	6(6)	YES	NIL	4 (RMC, BPC, PPC & CSR&SD – CPCL)	NIL
Mr. S. Krishnan, Director (Operations) (w.e.f 01.03.2020)	NA	NA	NIL	3- BPC; RMC &PPC	NA
Part-Time Non-Executive Director (IOCL Nominee)					
Mr. S.M. Vaidya (w.e.f -01.08.2019)	3(3)	NA	2 (IOCL- Executive RRPL- Non-Executive)	3 (NRC, RMC; CPCL) (RMC – IOCL)	1-BPC-CPCL
Independent Directors					
Mr. Mrutunjay Sahoo (upto 31.01.2020)	6(6)	YES	1 (Suryoday Small Finance Bank – Non-Executive)	NA	NA
Dr. P.B. Lohiya (upto 31.01.2020)	6(6)	YES	NIL	NA	NA
Mr. Amitabh Mathur (From 29.07.2019)	3(3)	YES	-	2- AC/BPC	1-NRC
Mr. Myneni Narayana Rao (From 29.07.2019)	3(3)	YES	2 RMG Alloy Steel Ltd and Avantel Ltd–Independent	4 CPCL- RMC RMG Alloy Steel– AC Avantel- AC/NRC	CPCL- 2- AC/CSR
Mr. D. Durai Ganesan	6(6)	YES	NIL	2 (AC, NRC – CPCL)	(SRC – CPCL)
Mrs. Sobha Surendran (From 31.10.2019)	1(1)	NA	NIL	1 (SRC – CPCL)	NIL
Part-Time Non-Executive Director (Government Nominee)					
Mrs. Perin Devi	5(6)	NO	2 (Balmer Lawrie Investments Ltd. [BLI]) – Non-Executive Balmer Lawrie Co. Ltd (BLC)-Non-Executive	6 (AC, NRC, SRC, BPC & CSR&SD – CPCL) NRC-BLC	3 (NRC/SRC/CSR – BLIL)
Part-Time Non-Executive Director (NICO Nominee)					
Mr. M.B. Dakhili	4(6)	NO	1 Non-Executive - MFL	4 (CSR&SD – CPCL) (AC/RMC/NRC – MFL)	1 (SRC – MFL)
Mr. Babak Bagherpour	5(6)	NA	1 Non-Executive - MFL	(SRC – CPCL)	NIL

Note: 1) Shri Sanjiv Singh was Chairman of i) Indian Oil Corporation Ltd ; He was also a Non-Executive Chairman in ii) Hindustan Urvarak and Rasayan Ltd iii) Ratnagiri Refinery and Petrochemicals Ltd iv) Indian Oil Tanking Ltd and Non-Executive Director in v) Petronet –LNG Ltd.

2) IAL stands for Indian Additives Ltd.

3) AROCHEM stands for National Aromatics and Petrochemicals Corporation Ltd.

4) MFL stands for Madras Fertilizers Limited

In addition to Audit Committee (AC) and Stakeholders Relationship Committee (SRC), memberships / chairmanships of Committees mentioned above also include Nomination &Remuneration Committee (NRC); Corporate Social Responsibility & Sustainable Development Committee (CSR&SD), Risk Management Committee, Planning and Projects Committee and Board Project Committee (BPC).

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees (committees being Audit Committee and Stakeholders Relationship Committee) across all the listed companies in which he/she is a Director. All the Directors have made requisite disclosures regarding Directorship / Committee position occupied by them in other companies.

A brief resume of the Directors, who are being appointed / re-appointed at the forthcoming AGM, is given in the notice of the AGM.

The details of directors of the company who are also on the Board of other listed companies are as under:

Sl. No	Name of Director	Directorship in Listed entity
1	Mr. Sanjiv Singh	Chairman, Indian Oil Corporation Ltd & Petronet LNG Ltd
2	Mr.S.M. Vaidya	Director(Refineries), Indian Oil Corporation Ltd
3	Mrs.Perin Devi	Government Director, Balmer Lawrie Co. Ltd
4	Mr.Babak Bagherpour	Director, Madras Fertilizers Ltd
5	Mr.Mohammad Bagher Dakhili	Director, Madras Fertilizers Ltd

f) CODE OF CONDUCT FOR BOARD MEMBERS AND OTHER SENIOR MANAGEMENT PERSONNEL

The Code of Conduct for Directors and Senior Management Personnel of the company has been laid down by the Board, which has been circulated to all the concerned and the same is also hosted in the website of the company www.cpcl.co.in/policies. The Directors and Senior Management Personnel of the company have affirmed compliance with the provisions of the CPCL's code of conduct for year ended 31.03.2020 and no material financial or commercial transactions which may have potential conflict with the interest of the Company were reported by them. This was also informed to the Board at the 336th Meeting held on 20.05.2020.

As required under Regulation 17 of SEBI (LODR), Regulations 2015, the declaration in this regard is as under:

"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 31.03.2020 and the same was informed to the Board at the 336th Meeting held on 20.05.2020".

S.N. PANDEY
MANAGING DIRECTOR

Place : Chennai
Date : 20.05.2020

g) SHAREHOLDINGS OF DIRECTORS:

Name of Director	Designation	Number of shares
G.Aravindan (upto 29.02.2020)	Director (Operations)	200
R.Srikanthan	Director (Technical)	100
Mrutunjay Sahoo (upto 31.01.2020)	Independent Director	1500
S.Krishnan (w.e.f 01.03.2020)	Director (Operations)	200

h) SUCCESSION PLANNING:

CPCL being a Government Company under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), the power to appoint Directors (including Independent Directors) vests with the Government of India. However, the Company has put in place an orderly succession plan for grooming of Senior Management Personnel.

3. AUDIT COMMITTEE:

a) THE COMPOSITION OF THE COMMITTEE AS ON 31.03.2020 IS AS UNDER:

1. Mr. Myneni Narayana Rao, Independent Director – Chairman

2. Mr. D. Duraiganesan, Independent Director– Member

3. Mr. Amitabh Mathur, Independent Director– Member

4. Mrs. Perin Devi, Government Director– Member

Note: Mr. Myneni Narayana Rao and Mr. Amitabh Mathur were inducted as members w.e.f 17.10.2019. Mr. D. Duraiganesan was inducted as a member in place of Mr. S.M. Vaidya effective 25.02.2020. Mr. Mrutunjay Sahoo ceased to be the Chairman w.e.f 31.01.2020 and Mr. Myneni Narayana Rao was redesignated as Chairman of Audit Committee.

The members of the Audit Committee have requisite financial and management expertise.

b) The terms of reference of the Audit Committee cover all matters specified by the Companies Act, 2013 as well as Regulation 18(3) read with Part C of Schedule –II of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, which inter-alia includes the following:

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. Recommendation for fixation of audit fees of statutory auditors.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

   a) Matters required to be included in the Board's Report in terms of sub-section 3 of Section 134 of the Companies Act, 2013.

   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) Modified opinion in draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

6. Reviewing with the Management the adequacy of the internal control systems.

7. Evaluation of internal financial controls and risk management systems

8. Approval of related party transactions.

9. 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.

10. Discussion with internal auditors any significant findings and follow up thereon.

11. 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.

12. 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.

13. 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.

14. To review the functioning of the Whistle-Blower Mechanism, in case the same is existing.

15. Review of cost audit report.

16. Reviewing with the management, the observations or comments, if any, of Comptroller & Auditor General of India.

17. Any other functions that may be assigned by the Board to the Audit Committee from time to time.

c) **The details of Audit Committee Meetings held during the Financial Year 2019-20 and the Members present are given below:**

		ATTENDANCE AT MEETINGS HELD OUT OF TOTAL NUMBER OF MEETINGS					
Sl.No	MEMBERS PRESENT	07.05.2019	29.07.2019	21.08.2019	17.10.2019	18.01.2020	Total
1	Mr. Myneni Narayana Rao	NA	NA	NA	NA	YES	1/1
2	Mr. D. Duraiganesan	NA	NA	NA	NA	NA	NA
3	Mrs Perin Devi	YES	YES	YES- through VC	YES	YES	5/5
4	Mr. Amitabh Mathur	NA	NA	NA	NA	YES	1/1
5	Mr. Mrutunjay Sahoo	YES	YES	YES	YES	YES	5/5
6	Dr. P.B. Lohiya	YES	YES	YES	YES	NA	4/4
7	Mr. S.M. Vaidya	NA	NA	NA	NA	YES	1/1

Note: 1) LOA denotes Leave of Absence.

2) No meeting was held after induction of Director in Sl.No.2, as member.

The Audit Committee meetings are attended by Director (Finance), Permanent Invitee, Chief Manager (Internal Audit) as invitee. The representatives of the Statutory Auditors are invited to the Audit Committee meetings while considering the financial results and discussing the nature and scope of Annual Audit. The Cost Auditors are invited when the cost audit reports are considered by the Audit Committee.

The minutes of the meeting are circulated among the members of the Committee and among all the concerned for necessary action. The action taken report on the decisions of the Audit Committee are submitted to the Committee for information. Chairman of the Audit Committee was present in the last Annual General Meeting. Shri.P.Shankar, Company Secretary acts as the Secretary of the Audit Committee.

4. NOMINATION & REMUNERATION COMMITTEE:

a) CPCL being a Government Company, the appointment and terms and conditions of such appointment (including remuneration) is decided by the Government of India. However, 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. The Independent Directors are not paid any remuneration except sitting fees for attending meetings of the Board or Committees thereof.

The Board of Directors of the company at the 310th meeting held on 23.05.2016 renamed and reconstituted the Remuneration Committee as Nomination and Remuneration Committee.

b) **THE NOMINATION & REMUNERATION COMMITTEE AS ON 31.03.2020 COMPRISES OF THE FOLLOWING MEMBERS:**

- Mr. Amitabh Mathur, Independent Director– Chairman
- Mr. D. Duraiganesan, Independent Director– Member
- Mrs. Perin Devi, Government Director– Member
- Mr. S.M. Vaidya, Non-Executive Director– Member

Note: Mr.S.M.Vaidya was inducted as a member in place of Mr.B.V.Rama Gopal effective 01.08.2019. Mr.D.Duraiganesan was inducted as a member w.e.f 17.10.2019. Mr.Mrutunjay Sahoo ceased to be the Chairman w.e.f 31.01.2020.

c) **THE TERMS OF REFERENCE OF THE COMMITTEE ARE AS UNDER:**

1. Appointment and Recruitment including deputation / tenure basis – Supervisors-Grade-H(CGM)
2. To consider and approve promotions to Grade H (Chief General Manager) i.e. Senior Management Personnel in accordance with the laid down criteria.
3. Termination of Supervisory Employees-Grade-H.
4. To decide the Annual Bonus / Ex-gratia/ Production Incentives/Variable Pay Pool and policy for its distribution across the Executives and non-unionised supervisors, within the prescribed limits as per DPE Guidelines.
5. Such other activities mandated by the Board from time to time.

The Committee will consider and approve all the issues pertaining to the terms of reference based on the recommendations of the Internal Committee comprising of Functional Directors, Managing Director and one Part time Director from IOCL.

d) THE DETAILS OF NRC MEETINGS HELD DURING THE FINANCIAL YEAR 2019-20 ARE AS UNDER:

Sl.No.	Name of the member	ATTENDANCE AT THE MEETINGS HELD OUT OF TOTAL NUMBER OF MEETINGS 07.05.2019	Total
1	Mr. Mrutunjay Sahoo	YES	1/1
2	Dr. P.B. Lohiya	YES	1/1
3	Mrs. Perin Devi	YES	1/1
4	Mr. B.V. Rama Gopal	YES	1/1
5	Mr. Amitabh Mathur	NA	NA
6	Mr. D. Duraiganesan	NA	NA
7	Mr. S.M. Vaidya	NA	NA

Note - No meeting was held after induction of Directors in Sl.No. 5, 6 and 7, as members.

Shri.P.Shankar, Company Secretary acts as the Secretary of the NRC.

e) DIRECTORS REMUNERATION:

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 2019-20 is given below:

(Rs. in crore)

Particulars of Remuneration	S.N. Pandey (MD)	G.Aravindan (DO) (upto 29.02.2020)	Rajeev Ailawadi (DF)	R.Srikanthan (DT)	S. Krishnan (DO) (w.e.f 01.03.2020)	Total Amount
Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	0.44	0.89	0.51	0.44	0.04	**2.32**
Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.06	0.06	0.04	0.04	-	**0.20**
Total (A)	0.50	0.95	0.55	0.48	0.04	**2.52**
Ceiling as per the Act	Not Applicable to Government company					

Note:

1) During the year no stock option has been issued to Whole-time Directors

2) The terms of appointment of Whole-time Directors, as issued by the Government of India, provides for a 3 months notice period or salary in lieu thereof for severance of service.

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

f) THE CRITERIA FOR PAYMENT TO NON-EXECUTIVE DIRECTORS IS AS UNDER:

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 payable to the eligible Directors for attendance at the meetings of the Board and its Committees is ₹ 40,000/- and ₹ 30,000/- respectively.

g) THE DETAILS OF THE SITTING FEES PAID TO NON-EXECUTIVE INDEPENDENT DIRECTORS DURING 2019-20 ARE GIVEN BELOW:

- Mr. Mrutunjay Sahoo – ₹ 6,00,000/- (Rupees Six Lacs only)
- Dr. P.B. Lohiya – ₹ 5,40,000/- (Rupees Five Lacs Forty Thousand only)
- Mr. D. Durai Ganesan – ₹ 2,70,000/- (Rupees Two Lacs Seventy Thousand only)
- Mr. Amitabh Mathur – ₹ 2,10,000/- (Rupees Two Lacs Ten Thousand only)
- Mr. Myneni Narayana Rao – ₹ 1,80,000/- (Rupees One lac Eighty Thousand only)
- Mrs. Sobha Surendran – ₹ 40,000/- (Rupees Forty Thousand only)

There were no other materially significant pecuniary relationships or transactions of the Independent Directors vis-à-vis the Company.

h) EVALUATION OF PERFORMANCE OF DIRECTORS:

The performance evaluation of the Directors (including Independent Directors) has not been carried out by the Nomination & Remuneration Committee, as CPCL being a Government Company, the powers relating to appointment, evaluation and the terms of Independent Directors vests with the Govt. of India. The same is also exempted to Govt. Companies under the provisions of the Companies Act, 2013.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC):

a) THE COMPOSITION OF THE COMMITTEE AS ON 31.03.2020 IS AS UNDER:

- Mr. D. Duraiganesan, Independent Director– Chairman
- Mrs. Perin Devi, Government Director– Member
- Mr. Rajeev Ailawadi, Director(Finance) -Member
- Mrs. Sobha Surendran, Independent Director– Member
- Mr. Babak Bagherpour, Director, NICO – Member

Note: Mr.D.Duraiganesan was inducted as the Chairman w.e.f 25.02.2020. Dr.P.B.Lohiya ceased to be the Chairman w.e.f 31.01.2020. Mr.R.Srikanthan ceased to be a member w.e.f 25.02.2020. Mrs.Sobha Surendran was inducted as a member w.e.f 25.02.2020.

The SRC specifically looks into the redressal of Shareholders and Investors' complaints like non-receipt of transfer of shares, non-receipt of Balance Sheet, non-receipt of Dividends, duplicate share certificates etc.

b) THE DETAILS OF STAKEHOLDERS RELATIONSHIP COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2019-20 AND MEMBERS PRESENT ARE GIVEN BELOW:

Sl. No.	Members Present	Attendance at the meetings held out of total number of meetings	Total
		17.10.2019	
1	Mr. D. Duraiganesan	NA	NA
2	Mrs. Perin Devi	YES	1/1
3	Mr. Rajeev Ailawadi	YES	1/1
4	Mrs. Sobha Surendran	NA	NA
5	Mr. Babak Bagherpour	LOA	0/1
6	Dr. P.B. Lohiya	YES	1/1
7	Mr. R. Srikanthan	YES	1/1

Note i) No meeting was held after induction of Directors in Sl.No.1 and 4 as members.

ii) LOA denotes Leave of Absence.

Mr. P. Shankar, Company Secretary is the Compliance Officer.

c) DETAILS OF QUERIES, REQUESTS AND COMPLAINTS RECEIVED AND REDRESSED DURING THE YEAR 2019-20:

During the year 583 queries, requests and complaints were received and all have been resolved. As on 31.03.2020, no complaints were pending.

The Company has created a designated email-id investors@cpcl.co.in; exclusively for investor servicing and for responding to their queries. In addition, investors can also send their grievances to shankarp@cpcl.co.in & sriramas@cpcl.co.in

6. COMMITTEE ON CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABLE DEVELOPMENT:

a) The Composition of Committee on CSR & SD as on 31.03.2020 is as follows:

- Mr. Myneni Narayana Rao, Independent Director – Chairman
- Mrs. Perin Devi, Government Director– Member
- Mr. Rajeev Ailawadi, Director(Finance) – Member
- Mr. R. Srikanthan, Director(Technical)- Member
- Mr. M.B. Dakhili – Director, NICO, Member

Note: Dr.P.B.Lohiya ceased to be the Chairman w.e.f 31.01.2020 and Mr.G.Aravindan ceased to be a member w.e.f 29.02.2020. Mr.Myneni Narayana Rao was inducted as the Chairman w.e.f 25.02.2020.

b) THE TERMS OF REFERENCE OF THE COMMITTEE IS AS UNDER:

- To offer guidance / suggestions for improvement in CSR activities.
- To monitor the progress of the CSR Activities on a quarterly basis.
- To develop the sustainable development policy for the organization.
- To provide guidance to the Management in identification of sustainable development projects.
- To ensure preparation of implementation plans for the identified SD projects.
- To approve the Sustainable Development budget for each accounting year.

- To provide guidance in implementation of SD policy and SD projects.
- To monitor and review implementation of SD projects and budget expenditure.

c) **THE DETAILS OF CSR & SD COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2019-20 ALONG WITH THE MEMBERS PRESENT ARE GIVEN BELOW:**

Sl. No	Members Present	ATTENDANCE AT THE MEETINGS HELD OUT OF TOTAL NUMBER OF MEETINGS			Total
		07.05.2019	29.06.2019	18.01.2020	
1	Dr. P.B. Lohiya (upto 31.01.2020)	YES	YES	YES	3/3
2	Mrs. Perin Devi	YES	LOA	YES	2/3
3	Mr. G. Aravindan (upto 29.02.2020)	LOA	YES	YES	2/3
4	Mr. Rajeev Ailawadi	YES	YES	YES	3/3
5	Mr. R. Srikanthan	YES	YES	YES	3/3
6	Mr. M.B. Dakhili	YES	YES	YES	3/3
7	Mr. Myneni Narayanan Rao (w.e.f 25.02.2020)	NA	NA	NA	NA

Note i) No meeting was held after induction of Director in Sl.No.7 as member.

ii) LOA denotes Leave of Absence.

The CSR Policy is hosted on the website of the company on the link https://www.cpcl.co.in/Policies. The CSR Report, as required under the Companies Act, 2013 for the year ended 31.03.20 is annexed to the Board's Report.

7. RISK MANAGEMENT COMMITTEE (RMC):

a) As per Regulation 21 (1) & (5) of SEBI (LODR) (Amendment) Regulations, 2015, the Board of Directors of every top 500 listed company based on market capitalization shall constitute a Risk Management Committee with effect from 01.04.2019. Accordingly, the Board of Directors of your company, at the 329th Board Meeting held on 27.03.2019 constituted a Risk Management Committee.

b) THE COMPOSITION OF THE RISK MANAGEMENT COMMITTEE COMPRISES OF THE FOLLOWING MEMBERS AS ON 31.03.2020:

- Mr. S.N. Pandey, Managing Director – Chairman
- Mr. S. Krishnan, Director (Operations) – Member
- Mr. Rajeev Ailawadi, Director (Finance) – Member
- Mr. R. Srikanthan, Director (Technical) – Member
- Mr. Myneni Narayanan Rao, Independent Director– Member
- Mr. S.M. Vaidya, Non-Executive Director– Member

The Action Taken Report on the Risk Management Policy for the period April 2019 to December 2019 was reviewed by the Risk Management Committee and Audit Committee vide Circular Resolution dated 09.04.2020 and 16.04.2020 respectively and by the Board on 20.05.2020

c) The terms of reference of the Committee are as under:

- to review the action taken report of the internal committee on the risk management process involving risk assessment and minimization procedures on various internal risks like financial risks, infrastructure requirement, raw water, reliability of equipment, human resources, legal and litigation risks, risks at CBR and external risks like crude oil sourcing risks, pricing of products, emergence of natural gas, market dynamics, environmental risks, safety and security risks.
- to carry out such other functions including cyber security as may be delegated by the Board.

8. OTHER COMMITTEES OF THE BOARD:

Sl. No.	Name of the Committee	Role and Responsibilities	Members	Meetings held (2019-20)
1	Board Project Committee	1. To approve Capital investment upto ₹ 100 crore and pre-feasibility expenses upto ₹ 20 crore. 2. To recommend investment approval beyond ₹ 100 crore to the Board of CPCL for consideration.	1. Mr. S.M. Vaidya, Non-Executive Director – Chairman (w.e.f 01.08.2019) 2. Mr. Amitabh Mathur, Independent Director – Member 3. Mrs. Perin Devi, Government Director – Member 4. Director (Finance) – Member 5. Director (Technical) or Director (Operations), depending upon the proposal considered	3 (07.05.2019, 28.07.2019 & 17.01.2020)
2	Planning and Projects Committee	1. To approve capital investment exceeding ₹ 10 crore and upto ₹ 50 crore. 2. To approve pre-feasibility expense exceeding ₹ 5 crore and upto ₹ 10 crore	1. Managing Director 2. Director (Operations) 3. Director (Technical) 4. Director (Finance)	**12**

Shri. P. Shankar, Company Secretary is the Secretary to all the Board Committees

The composition of various committees of Board of Directors is also hosted on the website of the Company www.cpcl.co.in.

There have been no instances where any recommendation made by any Board Committee has not been accepted by the Board of CPCL during the year 2019-20.

9. GENERAL MEETING:

The Annual General Meetings of the company are held in Chennai where the registered office of the company is situated. The details of the AGMs held during the last 3 years are as under:

AGM Date	Location	Time	Special Resolutions passed
24.08.2017	Kamaraj Arangam 492, Anna Salai, Chennai 600 006	03.00 pm	Nil
24.08.2018	Kamaraj Arangam 492, Anna Salai, Chennai 600 006	03.00 pm	2
21.08.2019	Kamaraj Arangam 492, Anna Salai, Chennai 600 006	03.00 pm	2

No Extraordinary General Meeting of the Members was held during the year 2019-20.

10. POSTAL BALLOT DETAILS:

No approval of shareholders was sought by means of Postal Ballot during 2019-20.

There is no immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting requires passing the resolution through Postal Ballot.

11. DISCLOSURES:

The following are the disclosures as required under Regulation 34, 53 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, DPE Guidelines on Corporate Governance and Voluntary Guidelines on Corporate Governance issued by the Ministry of Corporate Affairs.

a) SEPARATE MEETING OF INDEPENDENT DIRECTORS:

One Separate Meeting of the Independent Directors as required under Regulation 25(3) of SEBI (LODR) Regulations, 2015 was held on 17.10.2019.

b) MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:

The Board of Directors of the Company approved a policy on "Materiality of Related Party Transactions and dealing with Related Party Transactions" (policy on RPT). The same has been hosted on the website of the company and can be accessed at the following link https://www.cpcl.co.in/policies.

As per the policy on RPT, all related party transactions are approved by the Audit Committee. The Company has not entered into any material significant related party transactions during the year.

c) MATERIAL SUBSIDIARIES:

CPCL has no subsidiaries.

d) DETAILS OF NON-COMPLIANCE DURING LAST THREE YEARS:

NSE and BSE imposed penalties for Non-Appointment of requisite number of Independent Directors throught out the year and for non –compliance with the composition of Audit Committee for the period from 17.10.2019 to 24.02.2020.

CPCL had represented to the stock exchanges that non-compliance with regard to composition of Board of Directors is not due to any negligence / default of the company as the same is not under the control of the company and the non-compliance with regard to the composition of Audit Committee was due to interpretation of rounding off and requested for waiver of penalties.

e) VIGIL MECHANISM AND 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. The Whistle Blower Policy was further amended by the Board at the meeting held on 08.05.2019 to enable employees to report instances of leakage of Unpublished Price Sensitive Information(UPSI). A copy of the Whistle Blower Policy is displayed in the Intra-net and website 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. No personnel have been denied access to the Audit Committee.

During the year, no complaint has been received under the Whistle-Blower Policy.

f) DISCLOSURES IN RELATION TO SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Disclosure regarding compliance with Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 along with status of complaints received and disposed off during the year is provided in the Directors Report.

Number of complaints filed during the Financial Year 2019-20	NIL
Number of Complaints disposed off during the Financial Year 2019-20	NIL
Number of Complaints pending as on end of the financial year 2019-20	NIL

FEES PAID TO STATUTORY AUDITORS:

The statutory auditors of the company were paid a total fee of ₹ 0.45 Crore for all the services rendered by them to the Company, as detailed below:

(Rs. in Crore)

Payment to Statutory Auditors	FY 2019-20
Audit Fees	0.24
Limited Review Certification	0.12
Tax Audit Fees	0.06
Other Services	0.03
TOTAL	**0.45**

g) COMPLIANCE WITH MANDATORY REQUIREMENTS OF CORPORATE GOVERNANCE (SEBI):

i) CPCL has complied with all the mandatory requirement of the guidelines on Corporate Governance issued by SEBI except the requirement relating to minimum number of Independent Directors throughout the year which is less than half of the total strength of the Board; non appointment of woman Independent Director for the period from 01.04.2019 to 30.10.2019 and composition of the Audit Committee for the period 17.10.2019 to 24.02.2020.

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; One woman Independent Director was appointed effective 31.10.2019 ; The Audit Committee was re-constituted effective 25.02.2020 to comply with the requirement.

The Company has submitted the quarterly compliance report on corporate governance in the prescribed format to the stock exchange(s) within fifteen days from close of the quarter. The same is also hosted on the website of the company www.cpcl.co.in.

ii) Compliance of Applicable Laws:

As per Regulation 17 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 01.10.2018 to 30.09.2019 at the 334th Board Meeting held on 17.10.2019. The compliance report for the period 01.10.2019 to 30.09.2020 will be placed before the Board at the meeting scheduled in October / November 2020.

iii) Risk Assessment and Minimisation Procedures:

The Company has developed a system and laid 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.

To ensure alignment of Risk Management system with the Corporate and operational objective and to improve upon the existing procedure, the Executive Committee at its 246th Meeting held on 26.04.2011 constituted a Committee comprising of officials from various functional areas to identify the risks in the present context, prioritise them and formulate proper action plan for implementation. The Committee has formulated the Risk Management Policy with effect from 2012-13.

The Board of Directors at the meeting held on 27.03.2019 constituted the Risk Management Committee as per the amended SEBI (LODR) Regulations, 2015.

The Action Taken Report on the Risk Management Policy for the year 2019-20 (April 2019 to December 2019) was reviewed by the Risk Management Committee and Audit Committee vide circular resolution dated 09.04.2020 and 16.04.2020 respectively and by the Board at the meeting held on 20.05.2020.

iv) Code of Conduct for prevention of Insider Trading in dealing with the Securities of CPCL

CPCL has formulated the Code for prevention of Insider Trading in the securities of CPCL (Insider Trading Code) in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulation, 2018 and the same was approved by the Board at its meeting held on 08.05.2019.

v) Compliance Certificate

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 SEBI Regulations and DPE Guidelines and the Certificates are given as annexures to the Directors' Report.

ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF SEBI (LODR)

The following non-mandatory requirements under Part E of Schedule II of the Listing Regulations to the extent they have been adopted are mentioned below:

In CPCL, the post of Non-Executive Chairman and Managing Director are held by separate persons.

The Company's financial statements for the year ended 31st March, 2020 do not contain any modified audit opinion.

h) CEO / CFO CERTIFICATION:

The required certification from the Managing Director and Director (Finance) being the CEO and CFO respectively was obtained and placed before the 101st Audit Committee Meeting and 336th Board meeting held on 20.05.2020.

i) INTEGRITY PACT:

CPCL signed a Memorandum of Understanding (MOU) with Transparency International India (TII) in 2008 for implementing an integrity pact program focused on enhancing transparency, probity, equity and competitiveness in its procurement process. 117 major contracts were covered under the Integrity Pact during 2019-2020 and the threshold limit for entering into integrity pact was reduced to ₹ 0.75 crore during the year 2019-2020.

j) RELATIONSHIP BETWEEN DIRECTORS:

None of the Directors on the Board of CPCL are inter-se related to other directors of the company.

The letters issued to Non-Executive Directors on their appointment are displayed on the website of the Company.

k) DETAILS OF FAMILIARIZATION PROGRAMS IMPARTED TO INDEPENDENT DIRECTORS:

Training to Directors in the area of Corporate Governance is always given utmost importance by Management.

CPCL nominated newly appointed Directors viz., 1) Mr. S. Krishnan - Director (Operations), 2) Mr. Amitabh Mathur - Independent Director, 3) Mr. Mynenei Narayana Rao - Independent Director, 4) Mrs. Sobha Surendran - Woman Independent Director for the Capacity Building Programme on "Corporate Governance" scheduled on 19th - 20th March, 2020. However due to COVID -19 outbreak in the country, the said program was cancelled.

The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company, global business environment, business strategy and risks involved. Site visits to various plant locations are organised for the Independent Directors to enable them to understand and acquaint with the operations of the Company. The details of familiarization programs imparted to Independent Directors are hosted on the website of the company and can be accessed at https://www.cpcl.co.in/CorporateGovernance.

l) DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT:

No shares of CPCL were lying in the Demat suspense account or unclaimed suspense account as on 31.03.2020.

m) GUIDELINES ON CORPORATE GOVERNANCE BY DPE:

CPCL is complying with all the requirements of the DPE Guidelines on corporate governance except the requirements relating to minimum number of Independent Directors through out the year; non-appointment of 1 woman Independent Director for the period 01.04.2019 to 30.10.2019 and composition of Audit Committee for the period 17.10.2019 to 24.02.2020.

CPCL being a Government Company is pursuing with the Government of India for induction of requisite number of Independent Directors; One Woman Independent Director was appointed on 31.10.2019; The Audit Committee was reconstituted to comply with the SEBI requirement on 25.02.2020.

The Company has been 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.

The Company has not incurred any expenditure not for the purpose of business during the year 2019-20.

The Company has not incurred any expenses which are personal in nature for the Board of Directors and key management personnel.

The administrative and office expenses as a percentage of total expenses is 0.27 % as compared to the previous year figure of 0.27%.

In the preparation of financial statement for the year 2019-20, the Company has not adopted an accounting treatment which is different from that prescribed in the Accounting Standard, in respect of any transaction.

12. MEANS OF COMMUNICATION:

a) Financial Results:

The Board of Directors of the Company approves the Financial Results within the limits prescribed under SEBI (LODR) and announces the results to Stock Exchanges where the equity shares are listed. The same are also generally published, within 48 hours in the newspapers viz., The Hindu, and Makkal Kural (Tamil).

The Quarterly Results, Half yearly Results, Annual Results and Shareholding pattern are placed on the Company's website at www.cpcl.co.in. Press releases are given on important occasions. They are also placed on Company's website.

In view of the prevailing COVID 19 situation, SEBI vide Circular dated May 12, 2020, has provided the following relaxation in relation to compliance with certain provisions of SEBI (LODR) Regulations 2015:

Exemption from publication of advertisements in newspapers as required under Regulations 47 are extended for all events scheduled till June 30, 2020. Accordingly, this exemption is applicable to the requirement of publishing the extract of the financial results in the Newspapers.

CPCL has availed the above relaxation provided by SEBI. However, the full format of the financial results are being furnished to stock exchanges for uploading in the stock exchange website. Further, the full format of financial results are being uploaded in official website of the Company.

b) Official press releases are displayed on the company's website at www.cpcl.co.in.

c) Website:

The Company's website, www.cpcl.co.in provides separate section for Investors where relevant Shareholders information is available.

d) NSE Electronic Application Processing System (NEAPS):

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre ("Listing Centre"):

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralized web-based complaints redressal system. The salient features of this system are: centralized database of all complaints, online uploading of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

e) Annual Report:

The Annual Report of the Company and all intimation to the stock exchanges are displayed in the website in line with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In view of the prevailing COVID 19 situation, SEBI vide Circular dated May 12, 2020, has provided the following relaxations in relation to compliance with certain provisions of SEBI (LODR) 2015.

The requirements of Regulation 36 & 58 pertaining to dispatch of Printed copies of Annual Reports including to those shareholders/ holders of non-convertible debt securities who have not registered their email address with the company are dispensed with for listed entities who conduct AGMs during the calendar year 2020 (i.e. till December 31, 2020).

Accordingly, CPCL would dispatch the full version of the Annual Report 2019-20 only to the registered email address of the shareholders.

f) 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.

g) Investors' cell:

Investors' cell exists in the registered office of the company to address the grievances and queries of the shareholders. To facilitate the investors to raise the queries / grievances through the electronic mode, CPCL has created a separate email id investors@cpcl.co.in. In addition, investors can also send their grievances to shankarp@cpcl.co.in / sriramas@cpcl.co.in. M/s. KFin Technologies Private Limited, the Share Transfer Agent of the Company has offices across the country, wherefrom the queries / grievances of the investors are also addressed.

h) Green initiative – reaching important communication to shareholders through email:

The provisions of The Companies Act, 2013 and Rules made thereunder permits paperless communication by allowing service of all documents in electronic mode. Accordingly, CPCL would send the copy of the Annual Report for the year 2019-20 along with the notice convening the Annual General Meeting through email to those shareholders who have registered their email id with the DP's / R&T agents and have not opted for physical copy of the Annual report.

In view of the prevailing COVID 19 situation, SEBI vide Circular dated May 12, 2020, has provided the following relaxation in relation to compliance with certain provisions of SEBI (LODR) 2015.

The requirements of Regulation 36 & 58 pertaining to dispatch of Printed copies of Annual Reports including to those shareholders/ holders of non-convertible debt securities who have not registered their email address with the company are dispensed with for listed entities who conduct AGMs during the calendar year 2020 (i.e. till December 31, 2020).

Accordingly, CPCL would dispatch the Annual Report 2019-20 only to the registered email address of the shareholders.

13. GENERAL SHAREHOLDER INFORMATION:

a)	54th Annual General Meeting:		
b)	Date & Time	:	11th September 2020 & 3:00 pm
c)	Venue	:	The Company would be conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of the AGM.
d)	Financial Year & Calendar for Results	:	April – March Quarter ending 30th June – on or before 14th August Quarter ending 30th September – on or before 14th November Quarter ending 31st December – on or before 14th February Quarter ending 31st March – on or before 30th May
e)	Book Closure Date	:	05.09.2020 to 11.09.2020 (Both days inclusive)
f)	Dividend despatch date	:	The Board has not recommended any dividend (Equity and Preference) for the year 2019-20, in view of the losses.
g)	Listing on Stock Exchanges	:	The Shares of the Company are listed on the Stock Exchanges at Mumbai and National Stock Exchange of India Limited. The listing fee for the year 2020-21 has been paid.
h)	Stock Code	:	BSE – 500110
i)	Trading Symbol in NSE	:	CHENNPETRO
j)	ISIN No. for dematerialized shares	:	INE 178A 01016
k)	Corporate Identity No.	:	The Company is registered with the Registrar of Companies (RoC) in the State of Tamilnadu, India. The CIN allotted to the Company by the Ministry of Corporate Affairs (MCA) is L40101TN1965GOI005389.
l)	Closure of Trading Window	:	The Trading Window for dealing in securities of CPCL shall remain closed for "Insiders" of CPCL from the end of each quarter till 48 hours after the financial results for the quarter are filed with stock exchange and become generally available.

m) MARKET PRICE DATA – HIGH, LOW AND CLOSE DURING EACH MONTH IN THE LAST FINANCIAL YEAR:

(in Rupees)

Month	NSE			Volume	BSE			Volume
	High	Low	Close		High	Low	Close	
Apr-19	278.30	246.25	253.55	6730066	278.40	246.10	253.55	81,071
May-19	259.20	204.65	220.85	13656239	259.00	204.80	220.60	1,42,534
Jun-19	227.50	205.00	208.10	7242973	227.00	205.50	208.05	73,769
Jul-19	209.80	176.00	197.40	6747681	213.00	176.05	197.35	1,04,521
Aug-19	204.30	183.00	192.85	2856104	199.00	182.00	193.50	41,334
Sep-19	198.00	161.05	173.80	3991503	199.00	162.20	173.15	1,02,721
Oct-19	185.92	151.00	158.20	5659967	185.50	151.25	158.25	1,38,867
Nov-19	161.50	125.00	125.70	2900226	161.20	125.00	125.80	1,08,911
Dec-19	126.85	107.60	123.55	4535627	126.35	106.00	123.85	1,03,471
Jan-20	164.00	109.65	124.70	19840774	168.80	110.00	124.70	3,14,050
Feb-20	129.30	96.95	101.20	5114158	129.10	98.15	100.95	2,25,772
Mar-20	117.40	53.10	60.55	5071201	107.40	54.00	60.60	2,42,282

n) **Performance of CPCL's Shares in comparison to BSE and NSE Index:**

Month	NSE		BSE	
	CPCL Close (in ₹)	Index (CNX NIFTY)	CPCL Close (in ₹)	Index (S&P BSE SENSEX)
Apr-19	253.55	11748.15	253.55	39031.55
May-19	220.85	11922.80	220.60	39714.20
Jun-19	208.10	11788.85	208.05	39394.64
Jul-19	197.40	11118.00	197.35	37481.12
Aug-19	192.85	11023.25	193.50	37332.79
Sep-19	173.80	11474.45	173.15	38667.33
Oct-19	158.20	11877.45	158.25	40129.05
Nov-19	125.70	12056.05	125.80	40793.81
Dec-19	123.55	12168.45	123.85	41253.74
Jan-20	124.70	11962.10	124.70	40723.49
Feb-20	101.20	11201.75	100.95	38297.29
Mar-20	60.55	8597.75	60.60	29468.49

During 2019-20, the share price of the Company touched a high of at ₹ 278.40 and closed at ₹ 60.60 on 31.03.20 on the BSE thereby decreasing by 78.23%. During the same period, the BSE SENSEX opened at 38858.88 and closed at 29468.49 and thereby decreasing 24.16%. The NSE NIFTY opened at 11665.20 and closed at 8597.75 thereby decreasing by 26.29%

o) **DEBT SECURITIES:**

The debt securities viz., Unsecured Redeemable Non–Convertible Bonds in the nature of Debentures to the extent of ₹ 1145 crore was allotted on 28.02.2020 at a coupon rate of 6.43% with an Annual Interest Payment frequency and having their maturity date on 28.03.2023. These Unsecured Redeemable Non–Convertible Bonds in the nature of Debentures were listed in the BSE (ISIN INE178A08011).

p) **REGISTRARS AND SHARE TRANSFER AGENTS:**

M/s. KFin Technologies Pvt. Ltd. (KFPL) was the Registrar & Transfer Agents (RTA) of the Company. During the year, the operations of M/s. Karvy Fintech Pvt. Ltd. (KFPL) have been transferred to M/s. KFin Technologies Pvt. Ltd. (KFPL). In terms of the approved scheme, the RTA business of KFPL, including all the licenses, got transferred to KFPL on the same terms and conditions as those available to KFPL w.e.f. 5th December, 2019. The change in name of the RTA has been intimated to the Stock Exchanges and also updated on the website of the Company. The address for correspondence with the RTA is as given below:

(1) Hyderabad Office:

KFin Technologies Pvt. Limited,

Selenium Tower B,

Plot 31-32, Gachibowli Financial District,

Nanakramguda, Hyderabad - 500 032

Phone : 040-44655000/44655152

Fax No: 040-44655024

E-mail : mohsin.mohd@kfintech.com, einward.ris@kfintech.com

Website: www.kfintech.com

(2) Chennai Office:

KFin Technologies Private Limited

Unit: Chennai Petroleum Corporation Limited

Akshaya Plaza, 1st Floor, Flat No. F-11

New No.108, Adhithanar Salai,

(Opp: Chief City Metropolitan Court)

Egmore, Chennai 600002

Phone: 044-28587781

Fax : 044-42028514

Email id: chennaiirc@kfintech.com

q) **SHARE TRANSFER SYSTEM:**

SEBI vide circular dated 5th December 2018 has directed that no transfer of shares in physical form would be allowed w.e.f. 1st April 2019. Accordingly, no transfer of shares in physical form was processed w.e.f. 1st April 2019. However, all requests for transfer of shares in physical form received upto 31st March 2019 have been transferred within the stipulated period from the date of lodgment subject to documents being valid and complete in all respects. There were no overdue share transfers pending as on 31st March 2020.

To expedite the share transmission, dematerialisation and rematerialisation requests process, the Board of Directors has constituted a Share Transfer Committee (STC). Presently the STC comprises of Mr.P.Shankar, Company Secretary and Mr.A.S.Sriram, Manager (Secretarial) to approve transmission of shares, dematerialisation requests and rematerialisation requests etc.

The number of transfers approved and shares transferred from 01.04.2019 to 31.03.2020 are given below:

Sl. No.	Particulars	No. of Cases	Number of Shares Involved
1	Number of transfer deeds received	63	8301
2	Transfer deeds processed	25	3101
3	Defective transfer deeds sent to the proposed transferee for rectification of defects	38	5000

The number of meetings held for approving the Share Transfers, transmission, dematerialisation etc. from 01.04.2019 to 31.03.2020 is 26.

The number of demat requests approved and shares dematted from 01.04.2019 to 31.03.2020 in National Securities Depository Ltd. (NSDL) are given below:-

Sl. No.	Particulars	Number of Demat Request Form (DRF)	Shares
1	Number of demat requests received	327	41370
2	Number of demat requests processed	262	32070
3	Number of demat requests rejected, for non-receipt of physical share certificates within 30 days as per the requirement of NSDL	65	9300

The number of Remat requests approved and shares rematted from 01.04.2019 to 31.03.2020 in Central Depository Services (India) Ltd. (CDSL) are given below:

Sl.No.	Particulars	Number of DRF	Number of Shares Involved
1	Number of demat requests received	199	21800
2	Number of demat requests processed	164	18100
3	Number of remat requests rejected, for non-receipt of physical share certificates within 30 days as per the requirement of CDSL	35	3700

The number of Remat requests approved and shares rematted from 01.04.2019 to 31.03.2020 in National Securities Depository Ltd. (NSDL) are given below:-

Sl. No.	Particulars	Number of DRF	Shares
1	Number of remat requests received	2	2
2	Number of remat requests processed	2	2
3	Number of remat requests rejected, for non-receipt of physical share certificates within 30 days as per the requirement of NSDL	nil	nil

The number of Remat requests approved and shares rematted from 01.04.2019 to 31.03.2020 in Central Depository Services Ltd. (CDSL) are given below:-

Sl. No.	Particulars	Number of DRF	Shares
1	Number of remat requests received	Nil	Nil
2	Number of remat requests processed	Nil	Nil
3	Number of remat requests rejected, for non-receipt of physical share certificates within 30 days as per the requirement of NSDL	Nil	Nil

r) DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2020:

	CHENNAI PETROLEUM CORPORATION LIMITED				
	Distribution of Shareholding as on 31/03/2020 (TOTAL)				
Sl. No	Category (Amount)	**No. of Holders**	**% To Holders**	**Amount(Rs.)**	**% To Equity**
1	1-5000	64012	93.64	63065590.00	4.24
2	5001- 10000	2262	3.31	17837070.00	1.20
3	10001- 20000	1075	1.57	16016140.00	1.08
4	20001- 30000	372	0.54	9456780.00	0.64
5	30001- 40000	138	0.20	4933380.00	0.33
6	40001- 50000	111	0.16	5233120.00	0.35
7	50001- 100000	210	0.31	15016120.00	1.01
8	100001& Above	179	0.26	1357555800.00	91.17
	Total	**68359**	**100.00**	**1489114000.00**	**100.00**

s) SHAREHOLDING PATTERN AS ON 31.03.2020:

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)	696934	13656364	14353298	9.64	6447	59411	65858
NBFC	0	1350	1350	0.00	0	2	2
Bodies Corporate	13300	1055126	1068426	0.72	41	475	516
Banks, FIs and Insurance Companies	100	5853095	5853195	3.93	1	13	14
Mutual Funds and UTI	4600	18018441	18023041	12.10	5	18	23
Foreign Institutional Investors	2600	0	2600	0.00	7	0	7
Qualified Institutional Buyer	0	1908788	1908788	1.28	0	2	2
IEPF	0	507966	507966	0.34	0	1	1
Non-Resident Indians/OCBs/Foreign Portfolio-Corp/Non-Resident Indians (Non Repatriable)/Foreign Nationals	388500	6606136	6994636	4.70	2841	1901	4742
Total	**1106034**	**147805366**	**148911400**	**100.00**	**9342**	**61825**	**71167**

t) **TOP TEN SHAREHOLDERS AS ON 31.03.2020 (OTHER THAN PROMOTERS):**

SL #	NAME	TOTAL SHARES	% TO EQUITY
1	LIFE INSURANCE CORPORATION OF INDIA	40,55,016	2.72
2	SBI MAGNUM MULTICAP FUND	40,48,200	2.71
3	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE EQUITY HYBRID '95 FUND	30,53,827	2.05
4	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE PURE VALUE FUND	21,62,955	1.45
5	ICICI PRUDENTIAL MULTI-ASSET FUND	18,90,443	1.26
6	THE NEW INDIA ASSURANCE COMPANY LIMITED	17,20,232	1.15
7	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE SMALL CAP FUND	15,79,227	1.06
8	ICICI PRUDENTIAL MULTICAP FUND	10,41,491	0.69
9	LSV EMERGING MARKETS EQUITY FUND LP	10,13,137	0.6804
10	ICICI PRUDENTIAL INFRASTRUCTURE FUND	9,36,637	0.62

u) **DEMATERIALISATION OF SHARES AND LIQUIDITY**

The shares of the Company are traded in dematerialised form. In order to facilitate the shareholders to dematerialise the shares, the Company has entered into an agreement with NSDL and CDSL. The summarised position of shareholders in Physical and Demat segment as on 31.03.20 is as under:

Type of Shareholding	Shareholders (Folios)		Shareholding	
	No.	%	No.	%
Physical	9342	13.13	1106034	0.75
Demat	61825	86.87	147805366	99.25
TOTAL	**71167**	**100**	**148911400**	**100.00**

v) **DUE DATE OF TRANSFER OF UNCLAIMED DIVIDEND:**

The due date of transfer of unclaimed dividend to the Investor Education and Protection Fund are as under:

Year	Date of Declaration	Due Date of Transfer
2012-2013	No Dividend	
2013-2014		
2014-2015		
2015-2016	07.09.2016	06.10.2023
2016-2017	24.08.2017	23.09.2024
2017-2018	24.08.2018	23.09.2025
2018-2019	No Dividend	

The shareholders, who have not yet encashed their dividend for the aforesaid years, may write to the Company or its R&T Agent in this regard to claim such unpaid dividend.

The details of dividend which remains unpaid / unclaimed as on 31.03.20 are given below:

Year	Amount (Rs.)
2012-13 to 2014-15	No dividend declared
2015-16	51,84,372.04
2016-17	1,85,50,078.10
2017-18	1,30,71,418.10
2018-19	No Dividend Declared
Total	3,68,05,868.24

The IEPF rules notified by the Ministry of Corporate Affairs further provides that details of all unclaimed / unpaid dividend as on the AGM date shall be filed with the MCA and also hosted on the website of the company within 90 days from the date of the AGM. Accordingly, the company has filed the information as on the last AGM date i.e. 21.08.2019 in the prescribed form with the IEPF and also hosted it on company's website www.cpcl.co.in.

w) TRANSFER OF UNCLAIMED SHARES TO IEPF:

Section 124(6) of the Companies Act, 2013 read with rules made there under provide that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of Investor Education and Protection Fund.

Ministry of Corporate Affairs (MCA), Government of India, had notified the Investor Education & Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2015 in September 2016 and further amended by Notification dated 26.10.2017 providing for the transfer of the Equity Shares to IEPF in respect of which dividend has remained unclaimed for seven consecutive years or more, on or before 30.11.2017.

In line with the IEPF Rules, the Company sends reminder letter to all such shareholders, whose dividend has remained unpaid / unclaimed for a consecutive period of 7 years with a request to claim the dividends, failing which the shares would be transferred to the IEPF Authority on the due date.

Accordingly, all such shares in respect of which dividend had remained unclaimed for the year 2011-12 to 2018-19 were transferred to the demat account of the IEPF authority on 04.11.19. The details of such shares are hosted on the website of the company www.cpcl.co.in.

The summary of shares lying in the demat account of IEPF authority is given below:

Particulars	No. of Shares
Shares in the demat account of IEPF Authority as on 01.04.19	4,00,263
Add: Shares transferred to demat account of IEPF authority during 2019-20	1,08,903
Less: Shares claimed by investors from IEPF authority	1,200
Shares in the demat account of IEPF Authority as on 31.03.20	5,07,966

The procedure for claiming the unpaid dividend amount and shares transferred to the IEPF Authority is provided under the link https://www.cpcl.co.in/IEPF

Further, Section 125 of the Companies Act, 2013 provides that a shareholder whose dividend amount / shares have been transferred to the IEPF shall be entitled to claim refund there from.

x) CREDIT RATING:

Credit rating assigned to Chennai Petroleum Corporation Ltd. for various Debt Instruments by Rating Agencies is given below:

INSTRUMENT	RATING AGENCY	RATING	OUTLOOK
Short term borrowings / PCFC (including BG)	CRISIL	CRISIL A1+	-
Commercial Papers	CRISIL & ICRA	CRISIL A1+ & ICRA A1+	-
Long Term – INR ₹ 500 Cr	CARE	AAA	STABLE
Long Term – FC USD 50 Mn	CARE	AAA	STABLE

y) No funds have been raised through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) during 2019-2020.

z) OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

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

aa) EMPLOYEE STOCK OPTIONS:

No Employee Stock Options was given during the Financial Year 2019-2020.

bb) COMMODITY PRICE RISKS / FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

The Company has not entered into any commodity hedging transactions during the year 2019-2020.

cc) 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]

dd) ADDRESS FOR CORRESPONDENCE:

Chennai Petroleum Corporation Limited,

No.536, Anna Salai, Teynampet,

Chennai – 600 018

Phone: 044-24349833

Email: shankarp@cpcl.co.in & sriramas@cpcl.co.in

ee) Company's Website Address: www.cpcl.co.in

Directors' Report 2019-20

To the family of CPCL Shareowners,

On behalf of the Board of Directors of your Company, I present the 54th Annual Report on the working of your Company, together with the Audited Statement of Accounts, Auditors' Report and the Report of the Comptroller & Auditor General of India on the Accounts for the year ended March 31, 2020.

PERFORMANCE REVIEW

Financials (Standalone and Consolidated)

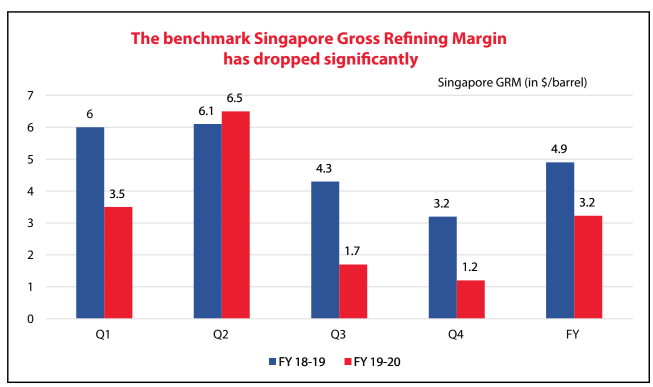
The Summary of the Standalone and Consolidated Financial Results are as under: (₹ in crore)

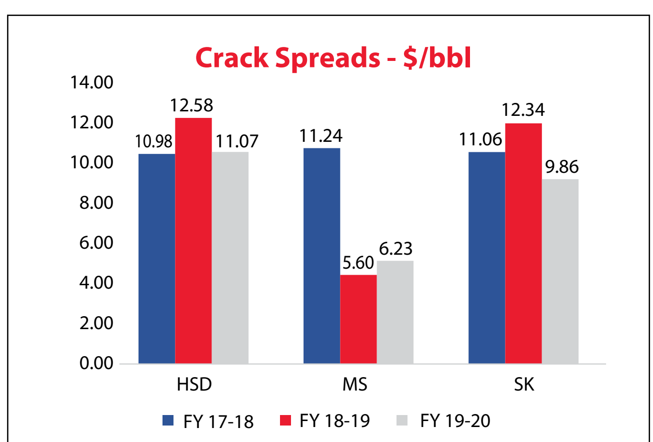
Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Gross Turnover	48624	52177	48624	52177
Profit Before Finance Cost, Depreciation and Tax	(2080)	575	(2086)	569
Finance Cost	413	420	413	420
Depreciation, Amortisation and Impairment	523	453	523	453
Profit Before Tax (before Share of Profit of Joint Ventures)	(3016)	(298)	(3022)	(304)
Share of Profit of Joint Ventures	-	-	27	14
Profit Before tax	**(3016)**	**(298)**	**(2995)**	**(290)**
Tax Provision	(938)	(85)	(938)	(85)
Profit After tax	**(2078)**	**(213)**	**(2057)**	**(205)**
Less: Appropriations				
Dividend on Equity Shares	-	275	-	275
Corporate Dividend Tax	-	57	-	58
Capital Redemption Reserve	-	-	-	-
Debenture Redemption Reserve	-	-	-	-
Retained Earnings	**(2078)**	**(545)**	**(2057)**	**(538)**

Analysis of the profitability:

Though the physical performance of the year was better than the previous year with the company achieving all time high Distillate Yield of 77.6% and lowest ever Energy Index as well as better utilization of secondary processing facilities, the profitability for the year was impacted due to high inventory losses sustained during the year. The international price of crude at the beginning of the year was around 70$/BBl which reduced to 54$/BBl in Feb 2020 and further tumbled to 33$/bbl in March 2020. The sudden and steep fall in crude prices in March 2020 entailed significant write down of inventory in accordance with the requirements of INDAS. The year was also beset with unfavorable product cracks due to various factors including the Covid pandemic since March 2020.

The benchmark Singapore refining margin for the year 2019-20 was significantly lower at around $3.2/bbl as compared to around $4.9/bbl in FY 2018-19. The same trend was reflected in Indian markets. Thus the average HSD cracks on the Indian crude basket, during the year was around $9.9/bbl as compared to $12.6/bbl in the previous year. Similarly, Jet Kero crack was also lower by around $4.7/bbl in the current year. The quarterly trend of Singapore refining margin is provided below :





Financial Highlights:

- Successfully raised ₹ 1,145 Crore by issue of unsecured redeemable non-convertible bonds, to balance the borrowing portfolio tenure.

- ICRA, CARE and CRISIL, have affirmed the highest credit rating for all forms of borrowings of your company.
- Successfully implemented payments through Trade Receivable-e Discounting System (TReDS).
- Settled Direct Tax related issues under the Vivad Se Vishwas Scheme.
- The company's performance on operational front was largely in tandem with the plan, except for some impact due to COVID-19 pandemic in later part of the 4th quarter.;
- The accounts of the company were audited by the Comptroller and Auditor General of India and we are pleased to inform the shareholders that for 16th successive year the company received NIL comments for the year 2018-19.

Dividend

Article 114 of the Articles of Association, Clause 4.9 of the Formation Agreement and Guidelines on Capital Restructuring of Central Public Sector Enterprises dated 27th May, 2016 issued by the Ministry of Finance and Department of Investment and Public Management (DIPAM), Government of India, dated 27th May, 2016 together constitute the Dividend Distribution Policy of the Company (Annexure-I). The same is hosted on the website of the Company under the link https://www.cpcl.co.in/Policies/2018/dividend%20distribution%20policy.pdf

In view of the losses, the Board of Directors of the Company has not recommended any dividend for year.

The preference dividend in respect of 6.65% non-convertible cumulative redeemable preference shares (50 crore shares outstanding as on 31.03.2020) issued to Indian Oil Corporation Ltd., the holding Company, will be paid with arrears along with the next declaration of dividend. However, the same has been accounted for as part of finance cost in line with Ind-AS requirements.

Material changes affecting the Company

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report. There has been no change in the nature of business of the Company.

Book Value

The book value per share of your Company as on 31.03.2020 was lower at ₹ 80.07 as compared to ₹ 222.25 as on 31st March, 2019.

Capex

The Company continues to invest on the existing refinery for reducing operating cost and meeting Diesel & MS quality requirements. Your Company has incurred Capital Expenditure of ₹ 960.60 crore for the year 2019-20 as compared to ₹ 1314 crore in the previous year 2018-19.

Reserves and Surplus

The reserves and surplus as on 31st March, 2020 reduced to ₹ 1043.37 crore as compared to ₹ 3160.60 crore as on 31st March, 2019.

Digital India Initiative

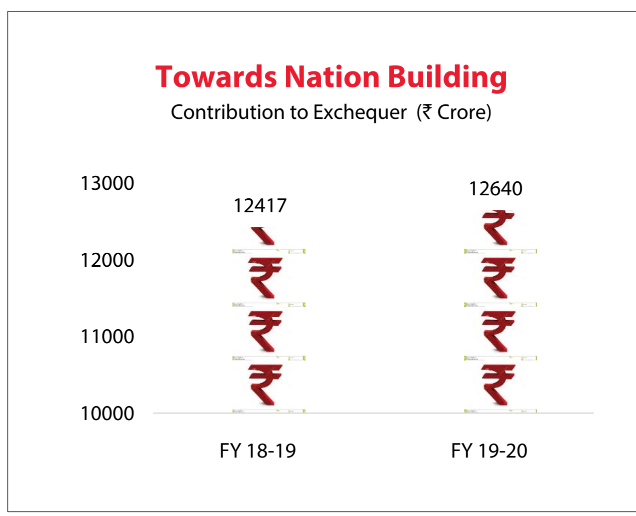
Your Company has achieved near 100% digital transactions during the financial year 2019-20 and has surpassed the target set by the Ministry of Petroleum and Natural Gas as part of the Digital India campaign. The company has introduced QR code based payment facility for our customers in addition to the existing facility of system integrated online receipt facility.

Contribution to Exchequer

Your Company has been making significant contributions to both State and Central Exchequers in the form of duties and taxes. The details are as under:

(₹ in crore)

Particulars	2019-20	2018-19
Central Exchequer	12030	11672
State Exchequer	610	745
Total	**12640**	**12417**



Public Deposit Scheme

Your Company has not accepted any public deposits during the year 2019-20 and no public deposit was outstanding as on 31st March, 2020.

Share Value

The highest and lowest market value of the Company's shares quoted in the stock exchanges for the period 1st April, 2019 to 31st March, 2020 are as under:

Stock Exchange	High	Low
NSE	₹ 264.00	₹ 53.10
BSE	₹ 262.40	₹ 54.00

Transfer of Unclaimed Dividend to IEPF

Your Company has transferred the required amount of ₹ 19.18 lakh to the Investor Education & Protection Fund (IEPF) as per Section-124 of the Companies Act, 2013 within the stipulated time.

In line with the Investor Education & Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2015, as amended, the Company has transferred 1,08,903 equity shares of ₹ 10/- each in respect of shareholders whose dividend has remained unclaimed for seven consecutive years from the financial year 2011-12, to the Investor Education Protection Fund in November 2019.

OPERATIONAL:

CRUDE OIL THRUPUT (in TMT)	2019-20	2018-19
Imported	**8,402**	8,620
Indigenous	**1,759**	2,075
Total Throughput	**10,161**	10,695
PRODUCTION (in TMT)		
Light Ends	**2,346**	2,145
Middle Distillates	**5,671**	5,830
Lube Base Stock	**104**	143
Wax	**23**	20
Heavy Ends	**1,185**	1,467
Intermediates differential	**(32)**	29
Other Inputs	**(172)**	(25)
Fuel & Loss	**1036**	1086
Total Output	**10,161**	10,695
Distillate Yield (%)	**77.6**	74.4

(TMT = Thousand Metric Tonnes)

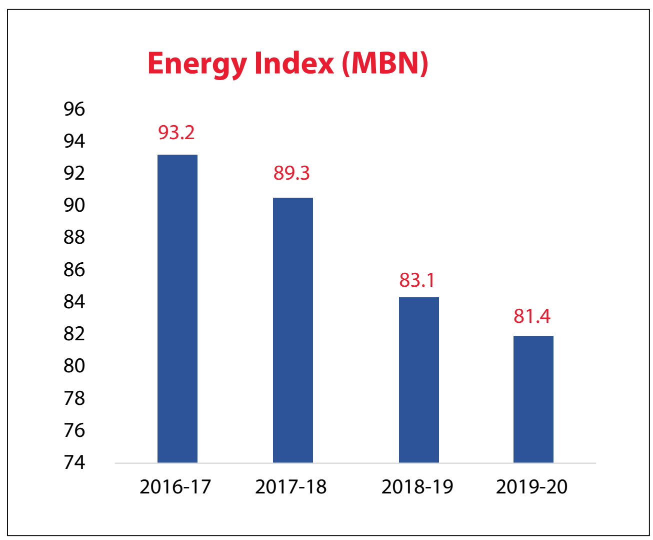
Supply of BS-VI grade MS & HSD

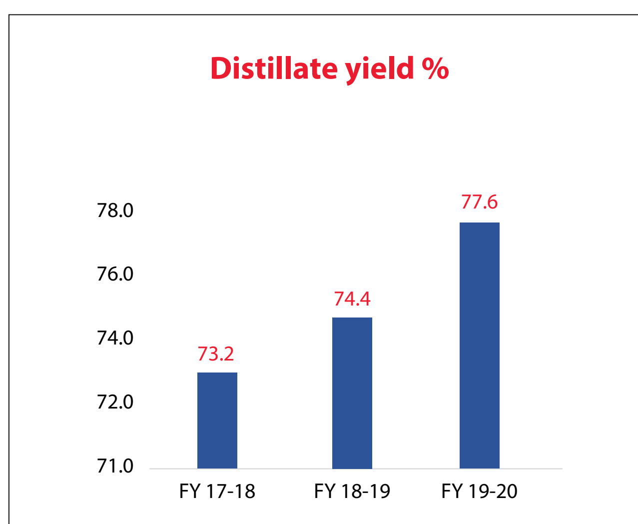
Your Company started supplying BS-VI grade fuels (MS & HSD) to markets from 1st December 2019, well ahead of the mandated timeline. This is to support the Government of India initiative on reduction of emission level from vehicles by switching over to BS VI compliant vehicles for which equivalent BS-VI grade fuels are mandated.

Operational Performance

Your Company achieved refinery throughput of 10.161 MMTPA in 2019-20 as compared to 10.695 MMTPA in the previous year. The distillates yield achieved was the highest ever at 77.6% as against the previous best of 74.4% in 2018-19. The Energy Intensity Index (EII) recorded was the lowest ever at 100.0 against the previous lowest of 100.4 in the year 2018-19. The specific energy consumption recorded was the lowest ever at 81.4 MBN against the previous lowest of 83.1 MBN in the year 2018-19. The operational availability during the year was 97.6% against MoU target of 97%. Refinery's internal Fuel & Loss was at 10.0 wt % as compared to 10.3 wt % in the previous year.

- Your Company clocked the highest ever OHCU throughput of 2,307 TMT against the previous best of 2,214 TMT in 2018-19.
- Your Company achieved highest ever CCR unit throughput of 407.4 TMT against previous best 404.2 TMT in 2018-19.





Production of ATF was the highest ever at 1,016 TMT in 2019-20 as against the previous best of 795 TMT in 2017-18. Hexane production also recorded the highest ever at 19.7 TMT as against the previous best of 14.9 TMT in 2018-19.

During the year, Cauvery Basin Refinery (CBR) was not operational due to limitation in meeting product specification with the existing configuration. However, LPG Recovery Unit was kept in operations till 01.08.2019. Natural gas processed till August 2019 at CBR in 2019-20 was 6.8 TMT, as compared to the previous year's figure of 24.66 TMT. Narimanam crude is being stored in CBR tanks and transferred coastally to Manali refinery.

Your Company processed two new crude oil grades (Hungo from Angola and Amenam from Nigeria), which were subsequently added to the regular basket.

Supply of SKO with 1000 ppm Sulphur (Revision in BIS Specification IS 1459:2018, dated 26.07.2018) and supply of Pipeline Compatible Kerosene (ZPCK) with Sulphur less than 10 ppm (used as pipeline inter-phase plug in multi-product pipeline) to the market commenced from 1st January 2020.

During the year, your Company successfully commissioned RLNG in 3 GTs and 2 Boilers.

MOU PERFORMANCE

Your Company had signed an MoU with Indian Oil Corporation Ltd., the holding Company, setting the performance parameters and targets for the year 2019-20, as per the guidelines issued by the Department of Public Enterprises (DPE). Your Company has scored 'Good' rating from DPE in respect of the MoU for the year 2018-19.

MARKETING

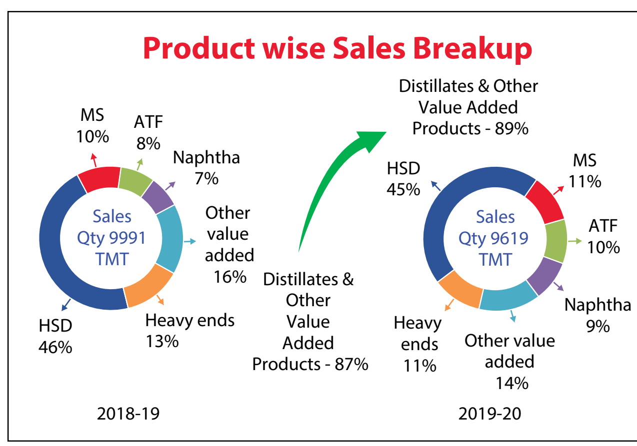
Indian Oil Corporation Ltd., the holding company, markets a majority of fuel products produced by your Company.

The details of sales of products by your Company through direct marketing during 2019-20 as compared to the previous year are tabled below:

PRODUCT	SALE QTY (IN MT)	
	2019-20	2018-19
A: Downstream Products (Other than Naphtha)		
Linear Alkyl Benzene Feed Stock (LABFS)	**63792**	65299
Butene + Methyl Ethyl Ketone Feed Stock (MEKFS)	**21241**	17454
Propylene	**33711**	24530
Poly Butene Feed Stock (PBFS) +Lean PBFS	**12679**	9564
B: Other Products		
Paraffin Wax	21236	21088
Hexane	**19364**	12308
Micro Crystalline Wax (MCW)	**0**	440
Sulphur	**98763**	86985
Petcoke	**409383**	355437
SN-150 Base oil	**3985**	6328
Furnace Oil	**3497**	8867
TOTAL	**687651**	608300

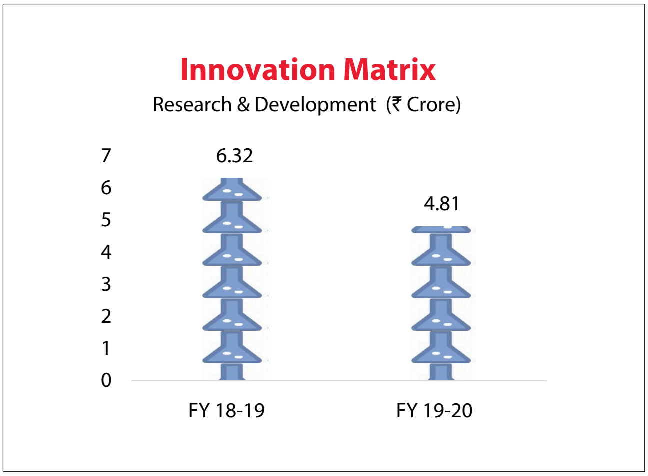
During the year, direct sale of products recorded an increase of 13.04%, from 608 TMT to 688 TMT. Madras Fertilizers Limited, which was captive consumer of Naphtha from CPCL shifted to RLNG, hence Naphtha produced by CPCL is now being exported. Substantial growth on some other products like propylene, hexane and Petcoke were achieved through marketing initiatives.

Sale of Petcoke, which was commenced in December 2017 increased impressively by more than 15% during the current year.



RESEARCH & DEVELOPMENT (R&D)

Your Company's R&D policy lays greater emphasis on supporting refinery operations. During the year, suitable catalysts for the pilot plant study for production of Group-II Base oil were received and Catalytic de-waxing and hydro-finishing studies of the above feedstock are initiated to produce Group II LOBS. Further a project on renewable crude and liquid hydrocarbon fuel from Algae is being carried out. In addition, Hydrothermal Liquefaction (HTL) study is being conducted with bio-mass extracted from 4000 m2 pond to obtain one year bio-crude yield data starting from Sep' 2019.



PROJECTS

Your Company pursues projects that enhance product quality and meet operational necessities. Your Company achieved Plan and Non-plan expenditure of ₹ 825.58 crore and ₹ 135.02 crore respectively, totaling ₹ 960.60 crore.

Manali Refinery

BS-VI Auto Fuels Quality Upgradation Project:

- Your company has successfully completed the DHDT BS VI revamp project (from 1.8 to 2.4 MMTPA) in November 2019.
- New FCC Gasoline Desulphurization unit of 0.6 MMTPA capacity

  Pre-commissioning activities have already commenced. Mechanical completion of the unit is expected by 2nd quarter of 2020-21. Commissioning is expected by 3rd quarter of 2020-21.

- New Sulphur Recovery Block

  The unit is expected to be mechanically completed by 4th quarter of 2020-21.

- The estimated project cost for BS-VI auto fuels quality upgradation project is ₹ 1858 Cr.

Regassified Liquefied Natural Gas (R-LNG) project

Your Company has successfully completed R-LNG conversion in one of the Hydrogen Generation Unit (HGU-214) by taking R-LNG as fuel and feed. R-LNG has been taken as fuel in Ref-III furnaces, 3 out of 5 Gas Turbines and 3 out of 6 Utility Boilers. R-LNG conversion in balance Gas Turbines, balance Utility Boilers, and HGU-205 is expected to be completed by 4th quarter of 2020-21 in phased manner. R-LNG conversion will have a positive impact on the Carbon footprint with reduction in CO_2 emissions and will reduce Specific Feed & Fuel consumption for production of Hydrogen. This will also enable processing of additional high sulphur crude. The total cost of the project is estimated to be about ₹ 350 crore.

Cauvery Basin Refinery

Future Projects

Your Company along with holding Company IOC, proposes to set up a 9.0 MMTPA Refinery complex at Cauvery Basin Refinery, Nagapattinam. The project would be an integrated state of the art modern Refinery cum Petrochemical complex, including a Polypropylene unit, to start with. The process packages have been finalized and the Detailed Feasibility Report (DFR) for the project has been completed. The project also includes a SPM facility for receipt of crude oil and Desalination plant for meeting the water requirements of the refinery. The Board of CPCL at the meeting held on 03.06.2020 has recommended the project to IOC Board.

Steps are in progress to obtain investment approval for the project. The project would also benefit from the land already in possession by CPCL. The proximity to highways and coastal location of the refinery are added advantages for the project. The project location is also apt for crude oil receipt by installation of a SPM facility and product evacuation through the nearby port and also by connectivity to IOCL's pipeline network.

The project is in line with the expected growth in demand for petroleum products in the southern region. Environmental Clearance for the project is also in an advanced stage of review and approval by MOEF&CC. Cauvery Basin 9 MMTPA project would also stand as an anchor for feedstock generation for downstream industries. The refinery complex will provide impetus for economic development and growth of the region.

INFORMATION TECHNOLOGY

Your Company firmly believes that information technology forms an integral part of all facets of its operations to sustain growth. The following new software and systems were developed and implemented during the year:

- e-Vigilance system in May 2019.
- Online Bill tracking System for the Vendors to upload their Bill details and to track payment status.
- On line Work Permit Management system in Manali Refinery in June 2019.
- e-Grievance system for redressing the grievance of employees in November 2019.
- GRN Dashboard system for materials department in April 2019.
- Refinery Procurement Management System to analyse procurement lead time in January 2020.
- E-Audit launched from October 2019

Initiatives undertaken in the areas of Cyber security during the year include the following:

- Identification of Critical Information Infrastructure and key business processes that are critical to the functioning of refinery.
- Conducted awareness program on Cyber Security and IT security for the benefit of employees in November 2019.
- Conducted Cyber security audit in December 2019.
- Upgradation of Data Logger server (collecting log from different devices) for IT security analysis and license renewed in September 2019.

On the Hardware implementation front, your company procured and installed an Internal Firewall to strengthen the IT security in November 2019.

HEALTH, SAFETY AND ENVIRONMENT

Health

Your Company endeavours to achieve best standards of excellence in promoting health care and has an Occupational Health Services Centre which is equipped with latest equipment and is manned by qualified professionals.

Your Company's OHS Centre is the first amongst Oil Industries to be set up and this is a Resource Centre providing professional and technical assistance to other industries. The OHS Centre has three doctors, a qualified work environment hygienist and eight paramedical staff on the role of the company and four doctors and twelve paramedical staff through outsourcing. The emergency section is manned round the clock with two ambulances and with infrastructures to manage emergencies due to illness and injuries. The center has about 30 beds to manage onsite and offsite emergencies.

Social Distancing Marks at Canteen

During the year, Occupational hygiene survey as per the planned schedule was done and safe work environment was ensured for the employees and other workers working within the refinery.

As part of Health surveillance, 100% of the employees underwent comprehensive medical examination in line with the annual health checkup policy. In addition, 1658 contract workers, working at height and confined spaces were examined and certified to do those jobs. The Central Industrial Security Force personnel underwent the SHAPE fitness examination at your OHS. The canteen staff was examined as per the statutory requirements.

As part of health promotion, health awareness talks and health screening camps were conducted for the employees and the CISF staff.

Provision of automatic hand sanitisers at 5 locations in Corporate office and 20 locations in Manali Refinery

The Covid-19 Pandemic has caused great disruption across the globe. Government of India and Government of Tamilnadu issued safety and health guidelines to be maintained at work place after lifting the lockdown. Your company has taken appropriate actions to ensure that requisite precautions are taken and guidelines followed.

Your Company has contributed ₹ 254.33 lakhs to PM CARES Fund and Tamil Nadu Chief Minister's Public Relief Fund to combat the COVID 19 disaster. In addition, employees have also contributed two days salary to PM Cares Fund and one day salary to Chief Ministers Relief Fund.

Disinfection of common touch points

Provision of Thermo camera in Corporate office and Manali Refinery

Safety

Your Company continuously strives to attain all-round improvement in safety performance by adhering to the best safety standards.

Major initiatives on safety management undertaken during the year include the following:

- Near Miss Incident (NMI) System modified to improve its effectiveness in tracking liquidation. Near miss reporting is encouraged with suitable award for reporting of NMIs. Total NMIs reported during the year were 6882 nos. High Potential NMIs are identified by a standing committee and appropriate actions are taken.
- Onsite emergency mock-drills conducted every quarter in the presence of officials from the Directorate of Industrial Safety & Health and mutual aid members MFL & TPL.
- Monthly mock-drills were conducted by creating different emergency scenarios as per Emergency Response and Disaster Management Plan (ERDMP).

Environment

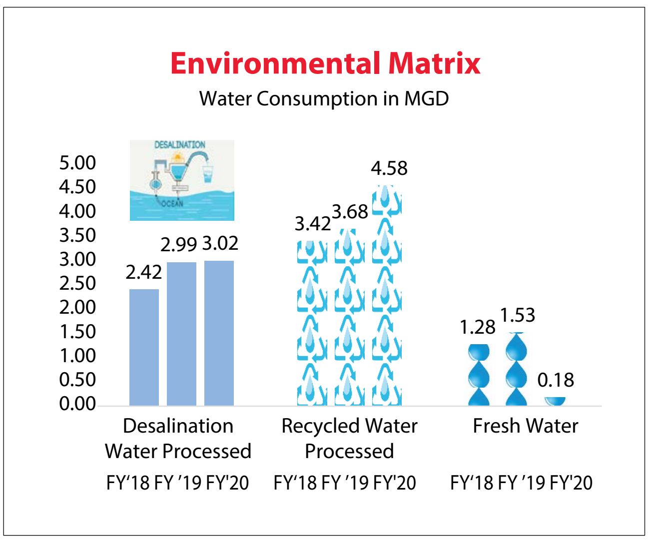
Your Company continues to demonstrate its concern for environmental protection by devoting adequate resources to comply with the applicable environmental laws and regulations.

During the year, all 11 Consent To Operate (CTO) were obtained in February 2020. Application for single consent for 10 CTOs submitted in the online portal of TNPCB for 2020-24.

Key initiatives taken for environment protection are as follows:

- New stack online analysers (54 Nos.) were commissioned and connected with TNPCB and CPCB in November 2019.
- CPCL ERDMP is re-certified with validity upto Oct 2022.
- Green Belt, of 40 acres, was developed with the assistance of Tamil Nadu Forest Department. & 10,000 saplings planted at Amullavoyal site from June 2019 to January 2020. This will sequester CO2 to the tune of 210 MT/year.

- Installed 7 Nos. of Plastic Reverse Vending Machines in Public Places of Chennai at a cost of ₹ 36 lakhs to recycle plastic waste and to educate and create awareness among public about the importance of recycling plastic waste.
- Complete ban on plastics was implemented by taking various measure viz., use of glass water bottles, silver / glass tumblers etc.,
- Use of TT-RO water supplied by CMWSSB to reduce fresh water consumption.
- Awareness program in CISF quarters was conducted on "World Environment Day" with the theme of 'Beat Air Pollution' in June 2019.



Oil and Gas Conservation Awareness Drive (SAKSHAM – 2020) was conducted from 16th January to 15th February 2020. As part of this event, a mega Cyclothon event was organized by CPCL in Manali, in which more than 3000 people along with celebrities from Chennai participated. In addition, a Walkathon event was organised in SRM university campus, Chennai in which more than 600 students participated.

ENERGY CONSERVATION

Your Company accords utmost priority in implementing various energy conservation measures aimed at optimizing fuel consumption.

Significant energy conservation measures implemented by your Company during the year resulted in an estimated savings of about 27900 Standard Refinery Fuel Tonne (SRFT) /annum (0.279% savings on Fuel & Loss) valuing around ₹ 83.7 Crore, on an annualized basis. The details of energy conservation measures are given in Annexure II.

RELIABILITY IMPROVEMENT INITIATIVES

Various measures undertaken by your Company to ensure reliability of its refinery operations are as under :

- Completed major overhaul of Refinery-1, LEB, DHDT and OPH
- Completed major overhaul of Crude Tank 121 and mounded Bullet 751. Also completed overhaul of other products and intermediate tanks totalling 17.
- Carried out replacement of Reformer APH and PSA Adsorbent loading in Plant 76 HGU.

Some of the major schemes completed during the year include the following:

- Routing of Refinery-1 PSV outlets to flare header as per ESA recommendation
- Upgradation of Refinery-1 DCS system.
- Provision of DCU – LCGO to Purge Connection in Coke Drum vapour inlet valves
- Completion of revamp of CT – 6 and CT 2 Cell 5.
- Upgradation of acid Injection pumps in Cogen DM plant to magnetic seal less pumps.

HUMAN RESOURCES

Your Company believes that its Human Resource pool has a vital role to play in the emerging competitive scenario in the industry. Accordingly, many initiatives have been taken for the development and growth of the employees to face future challenges.

Handing over Computers, Books and Furniture for Community Hall Library at Goundarpalayam

Manpower Details:

The total manpower of your Company as on 31st March, 2020 was 1,684, comprising 849 Supervisors and 835 Non-supervisors (1,709 as on 31st March, 2019, comprising 838 Supervisors and 871 Non-supervisors). The above figure excludes tenure postings from IOCL.

New Initiatives:

New initiatives undertaken during the year 2019-20 include the following:

- Web-based training programmes in collaboration with reputed institutes like IIT- Madras, Rajiv Gandhi Institute of Petroleum Technology (RGIPT), Society for Human Resource Management (SHRM), All India Management Association (AIMA) and Confederation of Indian Industry (CII) – Kolkata.
- Mentoring Programme to nurture the young recruits and get them acclimatized to CPCL's culture.
- Online Grievance Redressal system to attend the grievances and complaints of CPCL's employees in fast and effective manner
- Conducted Audits after the People Capability Maturity Model Study. System improvements are being made to enhance the HR practice.
- Conducted Employee Satisfaction Survey
- Biometric attendance system introduced to capture the attendance of both our employees and contract workers

- Memorandum of Settlement under section 18 (1) and 2(p) of the Industrial Disputes Act 1947 on Work Related Items / Facilities for workmen was signed between the Management and the CPEU on 17.05.2019.

Training:

During the year 2019-20, your Company achieved 3.61 average Training Man-days against the target of 2.5 man-days. A training programme on Talent Management and Career Progression was organised by IIT Madras for Middle Management group (Managers and below) and IIM Trichy, Study Centre, Chennai for Senior Executives (Senior Managers and above).

During the year, 1,265 employees were nominated for various Internal programmes on Operations, Maintenance, Management Development and other General programmes. 341 employees were nominated for various External Training programmes held at different parts of the country.

Reservation in respect of SC/ST/OBC/PWD:

Your Company has been meticulously following the Presidential Directives and various instructions of the Government relating to the welfare of the SC, ST, OBC and Persons with Disabilities. Out of the total manpower, there were 375 SC employees (previous year: 386) and 49 ST employees (previous year: 46) as on 31st March, 2020, constituting 22.27% and 2.91% of the total manpower respectively.

The statistics relating to representation of SCs/STs/OBCs in the prescribed proforma as on 1st Jan. 2020 is given in Annexure III.

Your Company is implementing the provisions of the Rights of Persons with Disabilities Act, 2016 by way of 4% reservation for physically challenged and disabled persons. In addition, various concessions and relaxations are being extended to physically challenged persons in the recruitment process in line with the Government guidelines.

Compliance with Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act 2013:

Your Company is committed to prevention of sexual harassment of women at the workplace and takes prompt action in the event of reporting of such incidents. In this regard, an Internal Complaints Committee has been constituted to deal with sexual harassment complaints and conduct enquiries, if any. Further, a hand-book on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 released by the Ministry of Women and Child Development, Government of India, has been uploaded on the intranet to sensitize all employees about the provisions of the Act. There were no complaints of sexual harassment during the year.

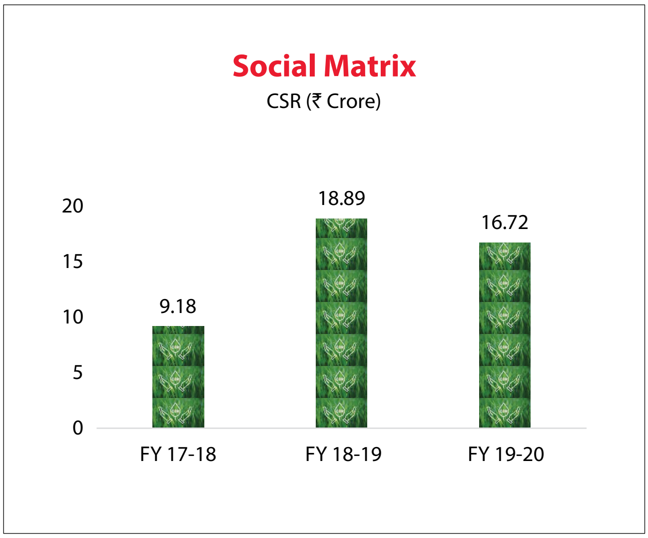
Women Empowerment:

Your Company gives special focus to the various facets of women development plans and programmes. As on 31st March, 2020, 88 women employees are on the rolls of the Company, of whom 59 are in the supervisory cadre and 29 are in non-supervisory cadre, constituting 6.9% of the total supervisory employees and 3.5% of the total non-supervisory employees.

International Women's day was celebrated on 6.3.20 at Dakshina Chitra, Muthukadu, Chennai. Dr. V. Vijayabanu, a Behavioural analyst delivered the keynote address.

Corporate Social Responsibility (CSR) & Sustainable Development (SD):

Your company's Corporate Social Responsibility is part of its corporate governance, which is to create value for stakeholders (CPCL's Vision) and to pro-actively fulfill social commitments including environment and safety (CPCL's Mission). With this underlying principle, your company's Corporate Social Responsibility (CSR) Vision has been defined as "Strive for Educated, Healthy, Economically Developed and Environmentally Protected community around the Refineries". The CSR Policy of the Company can be accessed on the website of the Company under the link https://www.cpcl.co.in/policies



To achieve your company's CSR vision, CSR projects are designed with the aim to positively impact economic and social conditions of the communities in which it operates, to make efforts towards self-sustainability of CSR projects and to take initiatives on environmental sustainability.

During the year, your Company spent ₹ 1671.76 lakh towards community development activities. Of this, about ₹ 1020.05 lakhs was spent on various CSR activities in Nagapattinam near the Cauvery Basin Refinery, which includes rural development initiative i.e adoption of 3 villages in Nagapattinam district to benefit 1700 families to improve their social, environmental and economic gaps. Further, your company has spent more than 60% of the annual CSR expenditure towards the common theme (school education, healthcare & nutrition) for undertaking CSR activities during the year.

Independent Director inaguarating Swachh Toilet.

The programmes are undertaken primarily in the vicinity of the Company's major installations/establishments to improve the quality of life of the communities, which include marginalized groups such as SCs, STs, OBCs and the disabled.

A detailed report on CSR activities as per the provisions of Companies Act 2013 along with CSR highlights during the year is attached (Annexure IV).

In recognition of its various CSR initiatives, your Company received the following awards/accolades during the year:

- The Institute of Public Enterprises, Hyderabad had conferred CPCL with an award for "Best Practices in CSR Awards 2020" in the category of award for rural development (Village Adoption / Development project in Nagapattinam District) under our CSR initiatives on 31.01.2020.
- M/s. Fun & Joy At Work, Mumbai and ET Now being Telecast Partner had organized and conceptualised the 9th edition of the World CSR Day Congress & Awards, under which CPCL had been conferred with an award under the category "Integrated Village Development" for our sustainable CSR initiatives and efforts undertaken through the Village Adoption / Development project in Nagapattinam District on 18.02.2020.
- CPCL had been declared Winner under the sector Oil Refining for the Golden Peacock Award for Corporate Social Responsibility (GPACSR).

VIGILANCE

The Vigilance Department of your Company continues to pursue and lay greater emphasis on preventive vigilance measures.

During the year, various system improvement measures have been initiated and implemented. In line with CVC's guidelines, notices inviting tenders, tender documents and details of purchase orders/contracts awarded, including those on nomination basis, are hosted on the Company's Website.

Your company had implemented the Integrity Pact (IP) as per the guidelines of the Government. During the year, the threshold limit has been reduced to ₹ 75 Lakhs, so as to enhance coverage of contracts covered under IP. Periodical meetings are being held with Independent External Monitors (IEMs).

Vigilance Awareness Week-2019 was observed from 28th October, 2019 to 2nd November, 2019 with the theme "Integrity – A way of life".

There are no pending disciplinary cases as on 31st March, 2020.

Inauguration of Vigilance Awareness Week

Interaction with IEMs

PUBLIC GRIEVANCES

Your Company is committed to redress the public grievances on time. Contact details of Public Grievance Officer are displayed on the website of the Company under the link https://www.cpcl.co.in/grievances. During the year 2019-20, 26 public grievances were received and disposed of in time.

CORPORATE GOVERNANCE

A separate section on Corporate Governance forms part of this Annual Report, in line with the SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations 2015 and DPE Guidelines on Corporate Governance,

The certificate received from the Auditors of the Company regarding compliance of conditions of corporate governance, as required under SEBI (LODR) Regulations 2015 as well as compliance with the guidelines on corporate governance issued by the Department of Public Enterprises, Government of India, is annexed and forms part of this Report (Annexure-V).

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

As required under SEBI (LODR) Regulations 2015, Management's Discussion and Analysis Report is annexed and forms part of the Annual Report - (Annexure-VI).

BUSINESS RESPONSIBILITY REPORT

In accordance with SEBI (LODR) Regulations 2015, the Business Responsibility Report covering initiatives taken with regard to environmental, social and governance perspective prepared, forms part of the Annual Report.-Annexure-VII.

AUDIT COMMITTEE

The composition of the Committee as on 31st March, 2020 is as under:

- Sh.Myneni Narayana Rao- Independent Director-Chairman
- Sh.Amitabh Mathur–Independent Director- Member
- Mr.D.Duraiganesan- Independent Director- Member
- Mrs.Perin Devi – Government Nominee Director-Member

Director (Finance) is the permanent invitee.

The recommendations of the Audit Committee during the year were accepted by the Board.

CODE OF CONDUCT

The Board of Directors of your Company has formulated a code of conduct for the Directors and Senior Management Personnel, which was circulated to all concerned and hosted on the Company's website. The code can be accessed at http://www.cpcl.co.in/code of conduct. The Directors and senior management personnel have affirmed compliance with the code of conduct and the same was informed to the Board at the meeting held on 20.05.2020.

RISK MANAGEMENT

Your Company has a well-documented Risk Assessment and Management Policy and constituted a Risk Management Committee.

The composition of Risk Management Committee as on 31.03.2020 are as under:

- Mr. S.N. Pandey, Managing Director, Chairman of Committee
- Mr. S. Krishnan, Director (Operations) - Member
- Mr. Rajeev Ailawadi, Director (Finance) - Member
- Mr. R. Srikanthan, Director (Technical) - Member
- Mr. Myneni Narayana Rao, Independent Director - Member
- Mr. S.M. Vaidya, Director (Refineries), IOCL - Member

The Action Taken Report on the Risk Management Policy for the year 2019-20 (for the period April 2019 to Dec 2019), containing the mitigation measures on various internal and external risks were reviewed by the Risk Management Committee and Audit Committee vide circular resolution dated 09.04.2020 and 16.04.2020 respectively and the Board at the meeting held on 20.05.2020.

During the year, your company has executed the International Swaps and Derivatives Association (ISDA) with counter party – M/s ENGIE GLOBAL, to facilitate execution of commodity hedging transactions.

INTERNAL FINANCIAL CONTROLS

Your Company has put in place adequate systems of internal controls and documented procedures covering all financial and operating functions commensurate with the size of the Company and the nature of its business to provide reasonable assurance with regard to maintaining proper accounting controls, monitoring economy & efficiency of operations, protecting assets from unauthorised use or losses and ensuring reliability of financial and operational information.

Your Company has an Internal Audit Department headed by a Chief Manager with a mix of qualified professionals to carry out extensive audits throughout the year. Internal audit plans are reviewed by the Audit Committee.

The Statutory Auditors, in their report dated 20.05.2020, opined that the Company has in all material respects adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020 based on internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

REMUNERATION TO AUDITORS

M/s. Sreedhar, Suresh and Rajagopalan LLP, Chennai and M/s. Padmanabhan, Ramani and Ramanujam, Chartered Accountants, were appointed as Joint Statutory Auditors of the Company for the financial year 2019-20 by the Comptroller and Auditor General of India. The Board of Directors of the Company fixed a remuneration of ₹ 21.00 lakhs towards statutory audit fees (₹ 10.50 lakhs to each of the Joint Statutory Auditors) in addition to out-of-pocket expenses, if any, and applicable GST.

There are no qualifications in the Statutory Auditors report dated 20.05.2020 on the annual accounts for the financial year 2019-20.

COST AUDITORS

M/s. Vivekanandan Unni & Associates, Cost Accountants, Chennai were appointed as the Cost Auditor of Manali Refinery and Cauvery Basin Refinery of the Company for the Financial Year 2019-20 at the existing remuneration of ₹ 2,50,000/- plus applicable taxes and out of pocket expenses, if any, to conduct the audit of Cost Accounts maintained by the Company subject to ratification by the shareholders in the Annual General Meeting.

The cost audit for the year 2018-19 was carried out and the cost audit report was filed with the Ministry of Corporate Affairs in the prescribed form within the stipulated time period. The cost audit report for the year 2019-20 would also be filed within the stipulated time.

SECRETARIAL AUDIT

Your Company has appointed M/s.A.K.Jain & Associates as the Secretarial Auditors, for the year 2019-20 in place of M/s.Sandeep & Associates, who has been conducting the secretarial audit of CPCL for the last 5 years since it became mandatory under the provisions of the Companies Act 2013, in order to bring out more objectivity and independence in the audit of Secretarial as well as other related records of the company,

The Secretarial Audit Report for the year 2019-20 confirms that the Company has complied with all the applicable provisions of the Companies Act 2013 and the rules made thereunder and other applicable acts, rules, guidelines, applicable secretarial standards, etc., except the clause relating to appointment of Independent Directors; non-appointment of woman Independent Director from 01.04.2019 to 30.10.2019 and composition of Audit Committee for the period 17.10.2019 to 24.02.2020.

In line with amendment to SEBI (LODR) 2015, Annual Secretarial Compliance Report for the year 2019-20 has been submitted to BSE/NSE.

The appointment of additional Independent Directors is under the consideration of the Government of India; one woman Independent Director was appointed effective 31.10.2019; Audit Committee was reconstituted effective 25.02.2020 to comply with the requirement.

One separate meeting of Independent Directors was held on 17th October, 2019.

The report, duly certified by a Practicing Company Secretary, is attached as Annexure- VIII to this Report.

Your Company being a Government Company, the selection and appointment of Directors, their terms of appointment and the remuneration payable to them, are decided by the Government of India as per applicable guidelines and not by the Board of Directors. In view thereof, the terms of reference of Nomination and Remuneration Committee do not include the terms provided under the Companies Act, 2013. The performance evaluation of all directors, excluding directors representing Naftiran Intertrade Company, one of the promoters of the company, is carried out by the Administrative Ministry (MoP&NG), Government of India, as per applicable guidelines. The above is in line with the exemption provided to Government Companies by the Ministry of Corporate Affairs.

PUBLIC PROCUREMENT POLICY FOR MSMEs

The details of the actual values of total procurements of materials and services (total value of products excluding Crude, Gas, Power & License Fee) by your company during the financial year 2019-20 as against the target fixed by the Government of India are given below:

S. No.	Value of procurements (Materials and Services)	FY 2019-20 ₹ Crores	% age target achieved	Against the target set by the Government
1	Procurement of Materials & Services other than crude, gas, power and license fee	604.85		
2	From MSEs (General, Reserved SC/ST & Women)	263.63	43.59%	25%
3	From Reserved SC/ST MSEs	9.39	1.55%	4%
4	From Women MSEs	4.60	0.76%	3%

Several initiatives were undertaken to identify the entrepreneurs for procurement of goods and services from MSEs owned by SC/ST and Woman entrepreneurs by way of conducting vendor development programmes.

JOINT VENTURES

Indian Additives Limited (IAL):

Your Company has a joint venture with Chevron Chemicals Company (now Chevron Oronite Company) in the year 1989 for manufacture of lube additives components and packages. The share capital of IAL is ₹ 23.66 crore. CPCL and Chevron hold 50% each in the share capital of IAL.

The Revenue from Operations of IAL is ₹ 793.37 Crores during the year 2019-20, as against ₹ 777.08 crore in the previous year. The Profit after Tax for the year 2019-20 was ₹ 54.14 Crores as against ₹ 27.92 crore in the previous year.

National Aromatics and Petrochemicals Corporation Limited (AROCHEM):

Your Company has another Joint Venture with M/s. Southern Petrochemicals Industries Corporation Ltd. (SPIC) in the year 1989 for manufacture of PTA, Paraxylene, Orthoxylene and Benzene. The share capital of AROCHEM is ₹ 0.05 crore. CPCL and SPIC hold 50% each in the share capital of AROCHEM. Since the JV is not operational, the investments have been fully provided for diminution in value.

RELATED PARTY TRANSACTIONS (RPTs)

A policy on material RPTs was framed in line with the provisions of the Companies Act, 2013 and SEBI Listing Regulations 2015, which can be accessed on the Company website at the link https://www.cpcl.co.in/Policies. Your Company has undertaken transactions with related parties during the year, which are in the ordinary course of business and on arm's length basis. As per the RPT Policy, approval of Audit Committee has been obtained for all RPTs. During the year, there were no material RPTs. The disclosures related to Related Party Transactions in accordance with applicable accounting standards are provided at Notes to the Annual Accounts.

The details of contracts or arrangements with related parties referred to under Section 188 (1) of the Companies Act, 2013 in the prescribed Form AOC-2 are attached as Annexure -IX of the report.

REPORT ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS

Statutory details on Energy Conservation and Technology Absorption, R&D Activities and Foreign Exchange Earnings and Outgo, as required under the Companies Act, 2013 and the Rules prescribed thereunder are given in the Annexure-I and form part of this Report.

PARTICULARS OF EMPLOYEES

As per the provisions of Section 197 of the Companies Act 2013 and the Rules made thereunder, Government Companies are exempted from inclusion in the Directors' Report the statement of particulars of employees drawing remuneration in excess of the limits specified under the Act and Rules notified thereunder.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The following changes have occurred in the Board of the Company:

1) Mr.Amitabh Mathur and Mr.Myneni Narayana Rao were appointed as Independent Directors pursuant to letter dated 12.07.2019 from Ministry of Petroleum and Natural Gas, Government of India, on 29.07.2019.
2) Mr.S.M.Vaidya, Director(Refineries), IOCL was appointed as a Director on the Board of CPCL effective 01.08.2019, based on letter dated 15.07.2019 from Indian Oil Corporation Ltd, the Holding Company.
3) Mrs.Sobha Surendran was appointed as Woman independent director pursuant to letter dated 21.10.2019 from Ministry of Petroleum and Natural Gas, Government of India, effective 31.10.2019, the date of allotment of DIN by MCA.
4) The tenure of Mr.Mrutunjay Sahoo and Dr. P.B. Lohiya, independent Directors were completed on 31.01.2020.
5) Mr.S.Krishnan has been appointed as Director(Operations) effective 01.03.2020 in place of Mr.G.Aravindan, who retired from the services of the company on attaining the age of superannuation on 29.02.2020.

Opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year.

CPCL being a Government Company, the power to appoint Directors (including Independent Directors) vests with Government of India. The Directors are appointed by following a process as per laid down guidelines. In the opinion of the Board, the Independent Directors have requisite expertise and experience.

BOARD MEETINGS

During the year, six meetings of the Board of Directors were held. The details of the meetings attended by each Director are provided in the Corporate Governance Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant or material orders were passed by the regulators or courts or tribunals that impact the going concern status and the Company's operations in future.

PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Section 134 (3) (p) of the Companies Act 2013, require a listed entity to include a statement indicating the manner of formal evaluation of performance of the Board, its Committees and of individual Directors. However, the said provisions are exempt for Government Companies as the performance evaluation of Directors is carried out by the Administrative Ministry, i.e., Ministry of Petroleum and Natural Gas (MoP&NG), as per laid-down evaluation methodology.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The provisions of Section 134 (3) (e) regarding the policy on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided in Sec 178(3) are exempted for Government Companies.

DETAILS OF LOANS / INVESTMENTS / GUARANTEES

Your Company has not provided Loans/Guarantees/Security to any person, body corporate or joint venture during the year.

EXTRACT OF ANNUAL RETURN

As required under the provisions of the Companies Act, 2013, the extract of Annual Return for the financial year ended 31st March, 2020 in the prescribed form MGT-9 has been prepared and given in Annexure-X. The same is also hosted in the website of the company at www.cpcl.co.in.

COMPLIANCE WITH SECRETARIAL STANDARDS

Your Company complies with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(5) the Companies Act, 2013 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, 2020, 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 or loss 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 31st March, 2020, on a going concern basis;

v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.

vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

RIGHT TO INFORMATION

Your Company complies with The Right to Information Act, 2005. In accordance with the provisions of the RTI Act, necessary disclosures have been made on the website of the Company.

A total of 94 requests and 13 first appeals received were responded during the year.

OFFICIAL LANGUAGE POLICY

Your Company complies with the directives issued by the Official Language Department, Government of India from time to time to increase the progressive use of Hindi.

The Official Language Implementation Committee of your company meets every quarter under the chairmanship of the Managing Director to review the implementation of Official Language in the company.

Your Company celebrated Hindi Week from 09.09.2019 to 14.09.2019. As a part of the Celebration, Hindi Singing and Hindi Essay competitions for employees, their spouse and children were held. Hindi calligraphy competition was conducted for employees of 'C' region. Hindi workshop on the Official Language Policy of the Government of India and its implementation in the company was conducted for DGMs and above in Manali Refinery on 12.09.2019 and for our employees at Corporate Office on 13.09.2019.

Spoken Hindi classes were conducted for three months at Manali Refinery to enable our non-Hindi speaking employees to increase their fluency in Hindi.

Your Company was conferred special award by TOLIC (PSU) Chennai for organising more number of Hindi workshops for their employees during the half year ending Sep'2019.

Your Company's employee received first prize in Singing Competition and second prize in online Quiz conducted as a part of Inter PSU competitions in Hindi by Town Official Language Implementation Committee, PSU, Chennai.

ACKNOWLEDGEMENT

Your Board of Directors acknowledge with sincere appreciation the unstinted support and co-operation of all the employees for the excellent work done during the Covid -19 lockdown period to ensure uninterrupted supply of petroleum products to meet the energy needs of the people in Tamil Nadu and neighbouring states.

Your Board of Directors extend their profound thanks to the Government of India, particularly the Ministry of Petroleum & Natural Gas, other ministries, the Government of Tamil Nadu, Indian Oil Corporation Ltd., Naftiran Intertrade Company Ltd., Petroleum Planning and Analysis Cell, Oil Industry Development Board, Oil Industry Safety Directorate, Centre for High Technology, and other regulatory and statutory authorities.

The Board also expresses its gratitude to all the stakeholders for their support and confidence reposed by them on the Company.

Your Directors also place on record their appreciation of the valuable contributions made by other directors, viz., Mr. Mrutunjay Sahoo, Dr. P.B. Lohiya and Mr.G.Aravindan during their tenure on the Board.

For and on behalf of the Board

(Sanjiv Singh)
Chairman
DIN: 05280701

Place : New Delhi
Date : 30.06.2020

Annexure - I

DIVIDEND DISTRIBUTION POLICY

The provisions regarding payment of dividend are as under:

1. Article 114 of the Articles of Association of the Company
2. Clause 4.9 of the Formation Agreement entered into between Government of India and National Iranian Oil Company dated 18.11.1965
3. Guidelines on Capital Restructuring of Central Public Sector Enterprises dated 27th May 2016 issued by Ministry of Finance, Department of Investment and Public Management (DIPAM), Government of India dated 27th May 2016.

The Extracts of the above provisions are as under:

1. Article 114 of the Articles of Association of the Company:

DIVIDENDS

114. Subject to the provisions of the foreign exchange loans contemplated by Article IV of the Formation Agreement, the Board of Directors shall recommend to the shareholders that not less than fifty percent (50%) of the net profits of the Company after providing for taxation shall be paid by way of dividends to the shareholders in respect of each financial year, unless all the Directors agree otherwise. The amount of net profits shall be determined in accordance with relevant provisions of the Companies Act 2013.

The Company in General Meetings may declare dividends but no dividend shall exceed the amount recommended by the Board, but the Company in General Meetings may, by a vote of shareholders representing not less than eighty-eight percent (88%) of the share capital of the Company, declare a smaller dividend.

2. Clause 4.9 of the Formation Agreement of the Company:

4.9 Subject to the provisions of the foreign exchange loans contemplated by this Article, not less than fifty percent (50 percent) of the net profits of the Refinery Company after providing for taxes will be paid out as dividends for each financial year, unless otherwise agreed by the parties hereto. The amount of net profits after providing for taxes will be determined in accordance with the accounting practices generally accepted in India.

3. Guidelines on Capital Restructuring of Central Public Sector Enterprises dated 27th May 2016 issued by Ministry of Finance, Department of Investment and Public Management (DIPAM), Government of India dated 27th May 2016.

The Ministry of Finance vide circular F.No. 5/2/2016-Policy dated 27th May 2016 has issued consolidated guidelines for CPSEs on the following:

- Payment of Dividend
- Buyback of Shares
- Issue of Bonus Shares
- Splitting of Shares

TIMELINES FOR APPLICABILITY OF GUIDELINES

The timelines for applicability of these guidelines are as under:

Topic	Timeline
Payment of Dividend	From FY ending on or after 31st March 2016
Buyback of Shares	From FY starting from 1st April 2016 or thereafter
Issue of Bonus Share	
Splitting of Shares	

As per the guidelines every CPSE shall ensure compliance of these guidelines through an agenda item along with a compliance note in the Board meeting of the company convened for finalization and approval of its annual accounts. Further, requisite approval of shareholders / members shall be obtained in the AGM / EGM to be held immediately thereafter.

The relevant provisions of the above guidelines with regard to payment of dividend are as under:

a) Every CPSE would pay a minimum annual dividend of 30% of PAT or 5% of the networth, whichever is higher subject to the maximum dividend permitted under the extant legal provisions.

b) Nonetheless, CPSEs are expected to pay a maximum dividend permissible under the Act under which a CPSE has been set up, unless lower dividend proposed to be paid is justified after the analyses of the following aspects on a case to case basis at the level of Administrative Ministry / Department with the approval of Financial Advisers.

   (i) Networth of the CPSE and its capacity to borrow;

   (ii) Long-term borrowings

   (iii) CAPEX / Business Expansion needs

   (iv) Retention of profit for further leveraging in line with the CAPEX needs; and

   (v) Cash and bank balance.

c) The analysis should confirm that the retention of funds augmenting its net-worth is being optimally leveraged to ensure higher investment by the CPSEs. The report for exemption, if any, in this regard will be submitted by the CPSEs through their Administrative Ministry to Secretary, Department of Economic Affairs and Secretary, Department of Investment and Public Asset Management (DIPAM) before the end of second quarter of the financial year.

d) The above guidelines on payment of dividend, bonus shares, buyback and splitting of shares would be subject to the provisions of the Act under which a CPSE has been set up, as amended from time to time and any other extant regulations / rules.

e) In case, any CPSE is not able to comply with any of the above guidelines, specific exemption has to be obtained from DIPAM, Ministry of Finance, Government of India through their Administrative Ministry/Department. The Administrative Ministry will ensure the compliance of these guidelines and refer proposals for exemption(s) to the DIPAM alongwith their opinion / comments and concurrence of the Financial Adviser in the matter.

Annexure - II

ANNEXURE TO DIRECTORS' REPORT ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AS PER THE PROVISIONS OF THE COMPANIES ACT 2013 AND RULES NOTIFIED THEREUNDER

A. CONSERVATION OF ENERGY:

i) The following major Encon measures were undertaken taken in 2019-20

- Replacement of Plant -2 Splitter internals to avoid Flaring.
- Routing of ISOM C7+ (Hot) to CCR.
- Pressure Swing Adsorption Unit II Revamp from 6 beds to 8 beds.
- Implementation of Pinch in Propane De-Asphalting unit for preheat improvement
- Steam reduction in DHDT stripper by installation of high capacity trays.
- Plant 205 Hydrogen small valve routing to Fuel gas instead of flare.
- Routing of DHDS Filter backwash to feed tank
- Rich Amine interconnection from Plant 18 to 89.
- Installation of HP->MP PRDS in CCR OBSG.

The above measures resulted in an estimated savings of about 27,900 Standard Refinery Fuel Tonnes/annum (0.279% savings on Fuel & Loss) valuing around ₹ 83.70 crore, on an annualised basis.

ii. Steps taken for utilizing Alternate Sources of Energy:

a) Solar Energy:

CPCL currently operates 4 Roof Top Solar Power units with a combined capacity of 0.221 MW at Chennai and Nagapattinam in Tamilnadu State.

b) Wind Energy:

CPCL commissioned 22 wind mills with an installed capacity of 17.6 MW at Pushpathur, TamilNadu in the year 2007. During the year, the windmills have generated 21.85 Million Units of electricity and the same is being utilized in Desalination Plant at Chennai and for refinery use through wheeling mechanism. This has resulted in a saving of ₹ 8.67 crores.

iii. Additional Investments and proposals, being implemented for energy conservation

The following additional investment proposals are being implemented:

- Pressure Swing Adsorption (PSA) II unit revamp from 6 bed to 8 bed to recover Hydrogen from Refinery off gases at the cost of ₹ 18.67 crore. Revamp completed and commissioned successfully during Sep 2019. The estimated benefits will be ₹ 15 Cr /annum
- Implementation of Pinch in Propane De-asphalting Unit for pre-heat Improvement at the cost of ₹ 13.1 Crore. PDA PINCH Pre Heat Improvement implemented successfully after M & I S/D during Nov 2019. The estimated benefits will be ₹ 18 Cr /annum

B. TECHNOLOGY ABSORPTION

i) Efforts made in Technology absorption are as under:

1. Installation of Divided Wall column in the Deisohexaniser of the isomerisation unit is being taken up to improve distillation efficiency and reduce the operating cost for production of hexane.
2. Infusion of new technology for hydrogen production being taken up. This will reduce specific feed consumption for production of hydrogen.
3. 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.

   Pilot plant study on the production of Group –II base oil

   Suitable Catalysts for the study had been received and the feedstock preparation completed. Catalytic de-waxing and hydro-finishing studies of the above feedstock will be initiated to produce Group II LOBS.

4 **Project on "Renewable crude and liquid hydrocarbon fuel from Algae"**

Algae productivity study in 4000 m2 raceway pond is being carried out to obtain one year data starting from Sep.2019.

5 **HTL study on the conversion of algae biomass to Bio-crude**

Hydrothermal Liquefaction (HTL) Study is being conducted with bio-mass obtained from 4000 m2 pond to obtain one year bio-crude yield data starting from Sep.2019.

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

NIL

iii) 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, area where this has not taken place	: Not applicable

iii) Expenditure on R&D

(Rs. in Crore)

	2019-20	2018-19
Capital	0.32	0.41
Recurring	4.49	5.91
Total	**4.81**	**6.32**
Total R&D expenditure as % of Gross Turnover	0.01	0.01

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Crore)

Particulars	2019-20	2018-19
Outgo	315.52	124.71
Earned	-	-

Annexure - III
SC/ST/OBC Report -I

ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCs/STs AND OBCs AS ON 01.01.2020 AND NUMBER OF APPOINTMENTS MADE DURING THE PRECEDING CALENDAR YEAR

MINISTRY / DEPARTMENT / ATTACHED / SUB-ORDINATE OFFICE: CHENNAI PETROLEUM CORPORATION LIMITED, CHENNAI

Groups	Representation of SCs/STs/ OBCs as on 01.01.2020				No. of Appointments made during the calender year 2019 (Jan - Dec 2019)									
					By Direct Recruitment				By Promotion			By Deptn/Absorption		
	Total 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	601	138	25	81	Nil	Nil	Nil	Nil	125	24	5	3	1	Nil
Group B Supervisory Level	263	50	12	102	88	16	6	38	30	7	Nil	Nil	Nil	Nil
Group C Workmen/ Clerical Level	842	190	12	356	37	9	1	20	165	47	Nil	Nil	Nil	Nil
Group D	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Group D (Semi-Skilled / Unskiled 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	**1706**	**378**	**49**	**539**	**125**	**25**	**7**	**58**	**320**	**78**	**5**	**3**	**1**	**0**

SC/ST/OBC Report -II

ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCs/STs AND OBCs AS ON 01.01.2020 AND NUMBER OF APPOINTMENTS MADE DURING THE PRECEDING CALENDAR YEAR

MINISTRY / DEPARTMENT / ATTACHED / SUB-ORDINATE OFFICE: CHENNAI PETROLEUM CORPORATION LIMITED, CHENNAI

PAY SCALE (In Rupees)	Representation of SCs/STs/ OBCs as on 01.01.2020				No. of Appointments made during the calender year 2019 (Jan - Dec 2019)									
					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
₹70000-200000	201	40	5	28	Nil	Nil	Nil	Nil	30	5	Nil	1	1	Nil
₹80000-220000	197	47	9	22	Nil	Nil	Nil	Nil	45	7	2	1	Nil	Nil
₹90000-240000	62	12	4	13	Nil	Nil	Nil	Nil	23	5	2	Nil	Nil	Nil
₹100000-260000	68	19	7	15	Nil	Nil	Nil	Nil	12	2	1	Nil	Nil	Nil
₹120000-280000	43	11	-	2	Nil	Nil	Nil	Nil	9	3	Nil	Nil	Nil	Nil
₹120000-280000	21	8	-	1	Nil	Nil	Nil	Nil	5	2	Nil	1	Nil	Nil
₹120000-280000	9	1	-	-	Nil	Nil	Nil	Nil	1	0	Nil	Nil	Nil	Nil
Total	**601**	**138**	**25**	**81**	**0**	**0**	**0**	**0**	**125**	**24**	**5**	**3**	**1**	**0**

Annexure - IV

ANNUAL REPORT ON CSR ACTIVITY

1.0 BRIEF OUTLINE OF THE CSR POLICY:

The CSR&SD activities mainly focus on Health, Education, Women Empowerment, Skill Development and Swachh Bharat for ensuring sustainable development of the society to which it belongs.

2% of the average of the net profit earned during three immediately preceding financial years is earmarked as CSR Allocation for the year, which will be non-lapsable. Apart from the above, the Board of Directors of CPCL may authorise to carry out CSR activities on a voluntary basis, even though CPCL may not be required to carry out the CSR activities mandatorily in any year. The surplus arising out of CSR projects or programs or activities shall not form part of the business profits.

2.0 COMPOSITION OF COMMITTEE ON CSR & SD AS ON 31.03.2020

The Composition of Committee on CSR & SD as on 31.03.2020 is as follows:

1. Mr.Myneni Narayana Rao,
   Independent Director – Chairman
2. Ms. Perin Devi, Government Director – Member
3. Mr Mohammad Bagher Dakhili, Director – Member
4. Mr.Rajeev Ailawadi Director(Finance) – Member
5. Mr.R.Srikanthan, Director (Technical) – Member

3.0 AVERAGE NET PROFITS AND PRESCRIBED CSR EXPENDITURE:

The average net profits and prescribed CSR expenditure is as detailed below:

Particulars	(Rs. in lakh)
Average Net profits for the last three financial years	83583.74
Prescribed CSR Expenditure	1671.67

4.0 PRESCRIBED CSR EXPENDITURE (2% OF THE AMOUNT AS IN sl.No.3)

Rs. 1671.67 lakhs

5.0 DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR 2019-20.

Particulars		(Rs. in Lac)
a)	Total Amount Spent during the year	1671.72
b)	Amount Unspent	Nil

c) Manner in which the amount spent during the financial year is detailed:

Refer Attachment

6.0 REASONS FOR NOT SPENDING MINIMUM 2% OF THE AVERAGE NET PROFITS OF THE LAST THREE IMMEDIATELY PRECEDING FINANCIAL YEARS:

Not applicable.

7.0 RESPONSIBILITY STATEMENT

Pursuant to the provisions of section 135 of the Companies Act, 2013 read with Companies Rules (Corporate Social Responsibility Policy) Rules, 2014, Mr. S N Pandey, Managing Director & CEO, Mr. Myneni Narayana Rao, Chairman CSR & SD Committee, do confirm that the implementation and monitoring of CSR policy, is in compliance with the CSR objectives and policy of the Company.

Managing Director & CEO

Chairman (CSR & SD Committee)

Place: Chennai
Date: 03.06.2020

CSR & SD - Expenditure Details 2019-20

Sl. No.	CSR Project (or) Activitiy Identified	Sector in which the Project / Activity is covered	Projects or Programmes: (1) Local area or other (2) Specify the State and Districts where projects or programmes were undertaken	Amount outlay (Budget) Project or Programme wise (Rs. in lakhs)	Amount Spent on the Project or Programmes Sub-heads : (1) Direct Expenditure on Projects or Programme (2) Overheads (Rs. in lakhs)	Cumulative Expenditure upto the reporting period (Rs. in lakhs)	Amount Direct or through implementing Agency
1	Running of 4 Community Health Care Centers	Health care	Local Area / Chennai & Nagapattinam / Tamil nadu	81.36	81.36	81.36	Implementing Agency
2	Medical Camps	Health care	Local Area / Chennai & Nagapattinam / Tamil nadu	8.08	8.07	8.07	Implementing Agency
3	Cancer Screening and Treatment of Women in Manali and Thiruvottiyur, near CPCL Manali Refinery through Cancer Institute, Chennai for 5 years	Health care	Local Area / Chennai / Tamil nadu	25.00	25.00	25.00	Implementing Agency
4	Mobile Medical Unit through Helpage India in Ramanathapuram District	Health care	Others / Ramanathapuram / Tamil nadu	20.53	20.52	20.52	Implementing Agency
5	Mobile Medical Unit through Helpage India in Nagapattinam District	Health care	Local Area / Nagapattinam / Tamil nadu	20.53	20.52	20.52	Implementing Agency
6	Support to Oncology Block at Govt Multi Super Speciality Hospital, Chennai	Health care	Local Area / Chennai / Tamil nadu	30.00	30.00	30.00	Implementing Agency
7	Medical Camps for villages at Nagapattinam (part of Villages adoption project)	Health care	Local Area / Nagapattinam / Tamil nadu	9.83	9.83	9.83	Implementing Agency
8	Activities on Healthcare theme in Ramanathapuram and Virudhunagar	Health care	Others / Ramanathapuram & Virudhunagar / Tamil nadu	10.98	10.98	10.98	Implementing Agency
9	Contribution to CPCL Education Trust which runs the CPCL Polytechnic College	Education	Local Area / Chennai / Tamil nadu	50.00	50.00	50.00	Direct
10	Empowerment of Women in Coastal villages through adoption of brackish water aquaculture and allied technologies in Chennai and Nagapattinam (CIBA)	Skill Development	Local Area / Chennai & Nagapattinam / Tamil nadu	37.41	37.41	37.41	Implementing Agency
11	Scholarship to Meritorious Children	Education	Local Area / Chennai / Tamil nadu	12.00	11.78	11.78	Direct

Sl. No.	CSR Project (or) Activitiy Identified	Sector in which the Project / Activity is covered	Projects or Programmes: (1) Local area or other (2) Specify the State and Districts where projects or programmes were undertaken	Amount outlay (Budget) Project or Programme wise (Rs. in lakhs)	Amount Spent on the Project or Programmes Sub-heads : (1) Direct Expenditure on Projects or Programme (2) Overheads (Rs. in lakhs)	Cumulative Expenditure upto the reporting period (Rs. in lakhs)	Amount Direct or through implementing Agency
12	School and Anganwadis Pedagogy in Villages (part of Villages adoption project in Nagapattinam)	Education	Local Area / Nagapattinam / Tamil nadu	8.08	8.08	8.08	Implementing Agency
13	School and Anganwadis Infrastructrure Improvement in Villages (part of Villages adoption project in Nagapattinam)	Education	Local Area / Nagapattinam / Tamil nadu	69.00	69.00	69.00	Implementing Agency
14	Maintenance of School Toilets / School premises (Chennai)	Education	Local Area / Chennai / Tamil nadu	8.40	8.35	8.35	Implementing Agency
15	Maintenance of School Toilets (CBR)	Education	Local Area / Nagapattinam / Tamil nadu	3.60	3.61	3.61	Implementing Agency
16	Swachh Police Scout Boys Club under the control of Local Police station	Education	Local Area / Chennai / Tamil nadu	4.62	4.62	4.62	Direct
17	Support for School Education (School Toilets & ICT Classrooms) in Ramanathapuram	Education	Others / Ramanathapuram / Tamil nadu	52.80	52.80	52.80	Implementing Agency
18	Support for School Education (School Toilets) in Virudhunagar	Education	Others / Virudhunagar / Tamil nadu	29.70	29.70	29.70	Implementing Agency
19	Graphic & Financial accounting skills for poor and needy youth through Vivekananda cultural centre	Skill Development	Local Area / Chennai / Tamil nadu	13.00	12.82	12.82	Implementing Agency
20	Swachh Bharat Campaign & Awareness programme	Swachh Bharat	Local Area / Chennai & Nagapattinam / Tamil nadu	78.32	78.87	78.87	Direct / Implementing Agency
21	Adoption of Villages through IIT Madras Gopurajpuram (including Vellalapakkam) and Panangudi Village	Swachh Bharat	Local Area / Nagapattinam / Tamil nadu	876.36	876.36	876.36	Implementing Agency
22	Barrier free Utility area & toilets for Individuals with Multiple Disabilities (NIEPMD)	Swachh Bharat	Local Area / Chennai / Tamil nadu	22.22	22.22	22.22	Implementing Agency
23	Contribution to Swachh Bharat kosh	Swachh Bharat	Others / PAN India	10.00	10.00	10.00	Direct
24	Creche at Manali	Women Empowerment	Local Area / Chennai / Tamil nadu	0.39	0.39	0.39	Implementing Agency

Sl. No.	CSR Project (or) Activitiy Identified	Sector in which the Project / Activity is covered	Projects or Programmes: (1) Local area or other (2) Specify the State and Districts where projects or programmes were undertaken	Amount outlay (Budget) Project or Programme wise (Rs. in lakhs)	Amount Spent on the Project or Programmes Sub-heads : (1) Direct Expenditure on Projects or Programme (2) Overheads (Rs. in lakhs)	Cumulative Expenditure upto the reporting period (Rs. in lakhs)	Amount Direct or through implementing Agency
25	Assistive devices for Differently abled through ALIMCO at Virudhunagar	Differently Abled	Others / Virudhunagar / Tamil nadu	40.00	40.00	40.00	Implementing Agency
26	Livelihood projects - Tailoring Course for poor and needy women / differently abled (blind) & contribution of furnitures / books to rural community library at Goundarpalayam Village	Livelihood Project	Local Area / Chennai / Tamil nadu	5.00	4.97	4.97	Direct / Implementing Agency
27	Livelihood Projects - Special Olympics International Football	Livelihood Project	Others / PAN India	10.00	10.00	10.00	Implementing Agency
28	Contribution to Armed forces Flag day fund	Livelihood Project	Others / PAN India	5.00	5.00	5.00	Direct
29	Evaluation of CSR & SD Activities for 2018-19	Others	Local Area & Others / Chennai - Nagapattinam - Ramanathapuram & Virudhunagar / Tamil nadu	2.35	2.35	2.35	Implementing Agency
30	Administrative Overhead (Salary)	Others	Local Area & Others / Chennai - Nagapattinam - Ramanathapuram & Virudhunagar / Tamil nadu	66.27	66.27	66.27	Direct
31	Contribution towards stipend paid to apprentices engaged over & above the minimum mandate under Apprentices Act, 1961	Others	Local Area / Chennai / Tamil nadu	60.84	60.84	60.84	Direct
	TOTAL			**1671.67**	**1671.72**	**1671.72**	

Annexure - V

M/s. Padmanabhan Ramani & Ramanujam
Chartered Accountants
1 F Arudhra, No.15 Habibullah Road
T. Nagar
Chennai 600017

M/s. SREEDHAR, SURESH & RAJAGOPALAN LLP
Chartered Accountants
3-B, No-26, Green Haven, 3rd Main Road,
Gandhi Nagar, Adyar,
Chennai 600 020

Independent Auditors' Certificate on Compliance of Conditions of Corporate Governance

To
The Members,
Chennai Petroleum Corporation Limited
Chennai

1. We have examined the compliance of conditions of Corporate Governance by Chennai Petroleum Corporation Limited (the 'Company') for the year ended on 31st March 2020 as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 as amended and in the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India.

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

3. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Listing Regulations and Guidelines. It is neither an audit nor an expression of opinion on the financial statements of the company.
4. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), and as per the Guidance note on reports or Certificate for special purposes issued by the ICAI
5. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and DPE guidelines except for the following:
   a) Non-compliance throughout the financial year 2019-20, of the stipulation that the Board of Directors should comprise of at least 50% independent directors, and
   b) Non-compliance for the period from 01.04.2019 to 30.10.2019, of the stipulation that the Board of Directors should have at least one woman independent director
6. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company

For Padmanabhan Ramani & Ramanujam
Chartered Accountants
FRN: 002510S

P. Ranga Ramanujam
Partner
Membership No: 022201
UDIN: 20022201AAAABG4292

For SREEDHAR, SURESH & RAJAGOPALAN LLP
Chartered Accountants
Firm Registration Number: 003957S/S200145

V. Suresh
Partner
Membership no: 026525
UDIN: 20026525AAAAAH6128

Place : Chennai
Date : May 29, 2020

Annexure - VI
Management Discussion and Analysis

(Forming part of the Directors Report for the year ended 31.03.2020)

Economic Overview:

The global economy registered a growth rate of 2.9% during 2019-20, lower than 3.6% registered during the previous year. The outbreak of COVID-19 in the last Quarter of 2019-20 has impacted the lives of people and economic activity across the world. All countries have suffered economic slowdown and protecting lives through lockdowns, isolation, closure of manufacturing activity and services, and strengthening of health systems have become priority. The present health crisis is having a significant impact on economic activity in all countries. As a result, the global economy is projected to contract sharply by –3.0 percent in 2020, as per the International Monetary Fund (IMF) report in April 2020. With effective economic policies being put in place by many countries and with expected revival of demand from second half of the year due to extensive measures to contain the pandemic, the economic growth is estimated to be robust at 5.8% in 2020-21.

Due to this weakening of global growth in 2020-21, there is likely to be an overall downward pressure on prices of commodities at large during the year due to expected supply chain disruptions, behavioural changes in customers and lower demand for services. Many economies need to adjust to lower commodity revenues, higher health costs and lower productivity. However, technology is perceived to play a major role in day to day activities of organisations as work from home will be implemented by many more companies.

The expected contraction in the GDP of many developed and developing countries and the crisis in OPEC agreement among oil producers have resulted in sharp reduction of oil prices with crude oil price dropping by 65% between January 2020 and April 2020. The price of natural gas declined by 38% during the same period. It is expected that oil prices will remain below $45 /bbl for the next 2-3 years which is beneficial for oil importing countries.

The Indian economy registered a growth rate of 4.2 % during 2019-20 as compared to 7.2% in previous year. The last quarter of the year has witnessed significant drop in GDP growth in line with the world economy on account of COVID-19 pandemic. According to IMF report, the growth for 2020-21 is projected at 1.9% due to the impact of the pandemic. However, the Indian economy is projected to reach an healthy growth to 7.4 % in 2021.

On the inflation front, the Indian economy registered an increase in Consumer Price Index (CPI) at 5.84% as on March 2020 against 2.86% at the end of March 2019. The long term economic growth is expected to be strong in India due to implementation of various fiscal policies and new measures being taken to strengthen the economy. Implementation of people oriented schemes such as UJWAL, Swachh Bharat, Give It Up, and Direct Transfer of Benefits, are expected to improve the quality of life for underprivileged people, bringing them into mainstream of economy.

Energy Scenario

Developing countries will continue to drive growth in the energy consumption in the long term though the outlook for the current year is likely to be weak with expected contraction in global energy demand. As per International Energy Agency (IEA) global Energy Review 2020, the Global Energy Demand outlook for 2020 indicates that the energy demand will fall about 6% in 2020 with gradual recovery of economy.

The impact on Global Oil Demand was immediately evident due to curtailment in mobility, freight movement and aviation. These sectors account for nearly 60% of the global oil demand. As per IEA, oil demand could drop by 9% or 9 million barrels per day (mb/d) on an average across 2020. The demand for other fuels such as Coal and Natural gas is also expected to be lower in 2020. However, the demand for renewable energy is expected to increase due to lower operating costs.

However, the long term demand for world primary energy is likely to grow from 2021 till 2040. As BP Energy Outlook 2019, the demand for primary energy is expected to increase from 13511 MTOE at present to 17866 MTOE by 2040, resulting in an additional demand of 4355 MTOE. Creation of necessary infrastructure to generate such a huge quantity of energy needs huge investment in Refining and Logistics sector. This increasing trend in energy demand is also supported by the increasing energy needs of the growing population which is expected to reach 920 crore by 2040.

As per the projections, the demand for world crude oil is expected to increase from 4538 MTOE at present to 4860 MTOE by 2040 while the demand for Natural Gas is expected to be reach 4617 MTOE by 2040, making Natural Gas as the second best fuel and almost equally as important as oil. Together, demand for Oil and Gas are expected to account for 53% of total energy consumption by 2040. The demand for world Coal is expected to remain stagnant at 3731 MTOE, dropping its share in primary energy to 20% from 28%. This is mainly on account of environmental concerns due to emissions for coal based power plants.

On the other hand, the renewable energy is expected to gain importance as the demand for these fuels, especially solar power, is likely to increase fivefold from the current level of 571 MTOE to 2748 MTOE by 2040 and its share in the overall demand will reach 15% making it as a critical energy input in the future.

The Indian crude oil basket price experienced downward trend during 2019-20 moving from $71.0 / bbl in April 2019 to $ 33.4 / bbl in Mar 2020. This downward price trend is due to the COVID-19 Pandemic and crisis in OPEC agreement among oil producing countries. The average Indian basket crude oil price for the year 2019-20 was $60.47 /bbl which is lower than the previous year price of $69.88 /bbl. The increased availability of crude oil in the global scenario coupled with lower demand for petroleum products in the short term may result in lower crude oil prices for next 3 years as per IMF report, which is good for oil importing countries like India.

Refining Industry and Oil Market Developments

Despite the demand problems in 2020-21, the global market for oil and gas are likely to be strong, continuing to account for about 50% of primary energy. Though there is a reduction for global oil demand from 98 Mb/d to 89 Mb/d in 2020-21, the level of global oil consumption is expected to increase from the present level to 108 MB/d by 2040 with most of the demand growth is likely to stem from emerging economies – China and India.

As per PPAC data, the petroleum products consumption in India has increased marginally from 213.2 MMT in the year 2018-19 to 213.7 MMT in 2019-20, registering a growth rate of 0.2 %, while the production of petroleum products has also marginally increased from 262.4 MMT in 2018-19 to 262.9 MMT in 2019-20, a growth rate of 0.2%. There is no increase in refining capacity of 249.4 MMT during the year 2019-20. However there is a reduction in crude oil processed in Indian Refineries from 257.2 MMT in 2018-19 to 254.4 MMT in 2019-20. With marginal decrease in crude oil production in India as compared to previous year, the Indian refineries continue to depend on crude oil imports from other countries. The natural gas production has also registered a very slight decrease from 32.9 BCM in 2018-19 to 31.2 BCM in 2019-20. However, the overall natural gas consumption in India has increased to 63.9 BCM during the year as compared to 60.8 BCM in the previous year.

Opportunities and Challenges

As per the report of the working group on enhancing refining capacity by 2040, the refining capacity is expected to increase from the current level of 249.4 MMT to 438.7 MMT by 2030, providing an opportunity for creation of new refining capacity in India in the immediate future. The impact on demand for petroleum products due to COVID-19 pandemic is expected to be in short term only and the long term projections are expected to remain same as earlier with minor modification.

In order to meet the ever growing energy needs in the State of Tamilnadu and in other states, CPCL is planning to set up a 9.0 MMTPA refinery with necessary secondary processing facilities and infrastructure at its existing Cauvery Basin Refinery in Tamilnadu. In principle approval has been obtained and the Detailed Feasibility Report has been completed. Environment approval for the project from MoEF is being pursued. During 2018-19, Memorandum of Understanding (MoU) was signed between CPCL and Government of Tamil Nadu for the incentive package to CPCL according to structured package of support as per the Tamil Nadu Industrial Policy 2014.

In addition to transportation, the 9.2 billion people on the planet at the middle of this century will have greater demand for food, plastic resins and fibres, detergents, consumer products, pharmaceuticals, packaging, and countless other chemicals. This requirement will create demand for increased production of petrochemicals. While the volume of refined products will continue to rise, the ratio of fuel to petrochemicals will continue to move in favour of petrochemicals.

To utilise Natural gas which is an environment friendly fuel, CPCL has undertaken a project to utilise natural gas as an internal fuel replacing the existing liquid fuels such as fuel oil and naphtha, at an estimated cost of ₹ 421 crore. Besides improving profitability, implementation of this project will also result in better environment conditions. CPCL has successfully commissioned RLNG in 3 GTs (GT-2, 3 & 4) and 2 Boilers (Boiler - 1 & 2) during the year 2019-20. The balance equipment will be converted to RLNG in the year 2021.

CPCL is continuously exploring the possibility of generating new products from the existing facilities. As part of these efforts, one batch each of JP-5 and Low sulphur PCK / PC ATF was produced from OHCU.

CPCL strongly upholds principles of Sustainability in its business operations and accordingly has taken many initiatives. The company has identified a number of energy conservation schemes and implemented ten energy conservation schemes during the year 2019-20 that resulted in reduction in internal energy consumption by 27900 SRFT per annum. New Energy conservation schemes have also been identified and will be implemented in 2020-21 which are expected to contribute further reduction in energy consumption which will benefit both the profitability and environment.

CPCL started receiving TTRO water from CMWSSB since Nov 2019. This has given flexibility to reduce overall refinery water consumption. Water production from Desal unit has been enhanced which has helped in reduction of the Metro water intake.

As per BP Outlook 2019, Renewable energy is expected to grow strongly, with its share in global power markets increasing substantially. To harness the expected growth opportunities emerging in renewable sources of energy sector, CPCL is planning to set up Roof-top Solar power generation units at Manali Refinery.

The International Maritime Organisation (IMO) has enforced a new 0.5% sulphur content cap on marine fuel from 1st January 2020 from the earlier level of 3.5% in response to heightening Environmental concerns from emissions contributed from Ships. CPCL has successfully prepared one batch of the new product and will be ready to supply it to market.

Risks and Concerns

CPCL has developed a well-defined Risk Management Policy Framework that enables the company to identify the risks and concerns including the possible mitigation measures. These risks are monitored quarterly by Risk Management Compliance Committee and mitigation measures are modified as per the requirements. The Board level Risk Management Committee review the actions taken on Risk Management twice in a year.

The High and Medium risks and concerns identified include Low Capacity Utilisation, Erosion in Refining Margin, Cost & Time overrun in projects, Safety Risk, Security Risk, Raw Water Availability, etc.

Covid related Risks

The year ahead seems to be another challenging year. In view of the lock down to contain the spread of COVID-19, demand for POL products had reduced significantly during the first quarter of FY 21. During this period, the refinery could operate at about 50% capacity utilization. The refinery is currently operating at around 80% capacity utilization. While demand for MS has largely recovered. Demand for HSD and ATF continue to be poor due to frequent lockdowns and reduced economic activities and very few domestic commercial flights. The full recovery of demand in the current financial year seems to be unlikely. The same is compounded by poor cracks in refining business currently.

Low Capacity Utilisation

Security in Crude supply is the key to continuous operation and profitability of Manali refinery. During the year 2019-20, 80% of CPCL's crude supply requirements were met through imports and the balance was allocated from indigenous sources. Crude supply position to CPCL was secured well by entering into term contracts mainly with government oil companies from various regions like Middle-East, Far-East, West African, Mediterranean etc., In addition, the crude basket of CPCL is also increased continuously by identifying new crudes that can be processed in the existing refining facilities. At present CPCL has around 100 crude oils in crude basket and thus have the capability for crude procurement from multiple sources..

To improve Reliability in operations and reduce unplanned S/Ds, Root cause analysis is done for all major unit interruptions and remedial measures are recommended. Reliability improvement strategies have been developed and action plan is being prepared for implementation.

Safety and Security

Safety and security aspects are very critical for continuous operation of units and for all stake holders in CPCL. Accordingly, well-defined safety and security management systems have been established in the company with an objective to monitor safety and security conditions in all areas within the refinery premises and also outside the refinery. The Standard Operating Procedures (SoP) pertaining to each and every unit and Equipment is kept in place to ensure proper operation of the plants and equipments and are also continuously updated with the latest changes and modifications through the system of Management of Change (MoC). Multi-level safety and security audit systems enable and ensure continuous monitoring of safety and security aspects and also identify gaps that need to be rectified. In addition, audits by external agencies are also conducted periodically which enable to implement best practices from other refineries in CPCL. On-Site mock drills are conducted periodically to test the preparedness of various components of Disaster Management System. Regular interaction is maintained with District authorities, Chennai Corporation authorities and other statutory agencies on security related issues. CCTV Cameras are used for surveillance purpose by CISF team and the system is being further strengthened with addition of new units. It is also proposed to utilise more digital technologies for improving the surveillance methods and also for close monitoring of safety and security in CPCL. Periodic inspections of pipelines are carried out and security patrolling/ surveillance system is in place. Security drills were conducted twice a month to keep the people and systems in alert.

In order to handle COVID-19 pandemic, SoPs have been developed on social distancing and hygiene inside the working place. Employees and Contractor labour have been given masks to control the spread of virus. Close monitoring of health of persons entering Refinery premises is being done to detect the affected persons and isolate them.

During the year, there were no instances of threat to safety and security of the installations.

Other risks

I. With regard to Erosion of margins due to variations in pricing of crude and products, CPCL's Refinery Business Optimisation model is able to optimise crude and product pattern in line with price trend. Further, additional investments for upgrading quality of products to BS-VI standards and for reduction of raw material cost using RLNG in place of Naphtha for production of Hydrogen and Power are being implemented partly.

II. Regarding Cost & Time overrun in projects, it is proposed to complete enabling jobs by the project start date and handover the project site without any delay. Contracts will have clauses to fix accountability for non-performance for project delay

III. To deal with the risk of non-availability of adequate crude at CBR and facilities to produce current specification products, owing to the fact that CBR at present is a simple topping refinery; CPCL proposes to set up a state of the art 9 MMTPA Capacity refinery at CBR with secondary processing facilities in place of the existing facilities.

Implementation of BS-VI specification for MS and HSD

As per BS-VI specification for auto fuels to improve environmental conditions in India, all Indian Refineries need to reduce sulphur content in automotive fuels – Motor Spirit (MS) and High Speed Diesel (HSD) and supply the same effective from April 2020. In line with this requirement, CPCL has implemented revamping of existing DHDT unit capacity to produce 100% BS-VI quality compliant HSD and started supplying BSVI MS & HSD to market from 01st December 2019 ahead of schedule. CPCL is also setting up a new FCCU Gasoline Treatment

Plant to meet MS quality standards which is in advanced stage of completion.

Internal Control Systems and their Adequacy

The Directors' Report has adequately dealt with this subject.

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.

Annexure - VII
Business Responsibility Report (BRR) 2019-20

S. No.	Query	Response
Section A: General Information about the Company		
1.	Corporate Identity Number (CIN)	L40101TN1965GOI005389
2.	Name of the Company:	CHENNAI PETROLEUM CORPORATION LIMITED
3.	Registered Address	Chennai Petroleum Corporation Limited; No.536, Anna Salai, Teynampet, Chennai-600018
4.	Website	www.cpcl.co.in
5.	Email id	shankarp@cpcl.co.in
6.	Financial Year reported	2019-20
7.	Sector(s) that the Company is engaged in (industrial activity code-wise):	The industrial activities carried out are described below. The code numbers of group, class and sub-class are assigned by National Industrial Classification, Ministry of Statistics and Program Implementation.

Group	Class	Sub-class	Description
192	1920	19201	Production of liquid and gaseous fuels, illuminating oils, lubricating oils or greases or other products from crude petroleum or bituminous minerals
		19202	Manufacture of paraffin wax
		19203	Bottling of LPG/CNG
		19209	Manufacture of other petroleum n.e.c. (includes manufacture of petroleum jelly, micro-crystalline petroleum wax, slack wax, ozokerite, lignite wax, petroleum coke, petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous minerals)

S. No.	Query	Response
8.	List three key products / services that the Company manufactures / provides (as in balance sheet): l	HSD, MS & ATF
9.	Total number of locations where business activity is undertaken by the Company:	3
	(i) Number of International locations:	NIL
	(ii) Number of National locations: (as on 31.03.2020)	Operating Refineries: 2
		Manali Refinery, Manali, Chennai-600068 Cauvery Basin Refinery, Panangudi Village, Nagapattinam District, Tamilnadu
		Wind Power Project: 1 (Pushpathur, Tamilnadu)
10.	Markets served by the Company-Local/State/National/ International	National
Section B: Financial Details of the Company		
1	Paid up capital (INR)	Rs. 148.91 crore
2	Total turnover (INR):	Rs. 48,624 crore
3	Total profit after taxes (INR):	(Rs. 2078 crore) -
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	The Company contributes to the CSR activities as per the provisions of the Companies Act 2013. A sum of ₹ 1671.72 lakhs was spent during the year 2019-20 for various CSR&SD Projects.
5	List of activities in which expenditure in 4 above has been incurred:	The broad areas, where the expenditure is incurred are towards Health, Education, Swachh bharat activities, Distribution of appliances for disabled etc

Section C: Other Details		
1	Does the Company have any Subsidiary Company/ Companies?	NIL
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not applicable
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	No other entities with which the company does business participate in the BR initiatives of the company.
Section D: BR Information		
1	Details of Director/Directors responsible for BR	
	a) Details of the Director/Director responsible for implementation of the BR policy/policies	
	Director name :	Shri. Rajeev Ailawadi
	DIN	DIN 07826722
	Designation	Director(Finance) in charge of HR
	b) Details of the BR Head	
	1. DIN Number (if applicable)	NA
	2. Name	Shri P.Shankar
	3. Designation	Company Secretary
	4. Telephone number	044- 24346807
	5. e-mail id	shankarp@cpcl.co.in
2	Principle-wise (as per NVGs) BR Policy / policies (Reply in Y/N):	The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under: P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability. P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle. P3 - Businesses should promote the well-being of all employees. P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantages, vulnerable and marginalised. P5 - Businesses should respect and promote human rights. P6 - Businesses should respect, protect and make efforts to restore the environment. P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner. P8 - Businesses should support inclusive growth and equitable development. P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

<table>
<tr><th></th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td>Questions</td><td>Ethics</td><td>Products & Services</td><td>Employees</td><td>Stakeholders Engagement</td><td>Human Rights</td><td>Environment</td><td>Public Policy</td><td>Inclusive Growth / CSR</td><td>Customer</td></tr>
<tr><td>Do you have policy / policies for………………</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td></tr>
<tr><td>Has the policy being formulated in consultation with the relevant stakeholders?</td><td colspan="9" rowspan="2">As a Government Company, CPCL is governed by rules, guidelines, procedures and policies issued by the Government of India from time to time. Additionally, in keeping with the vision of the company and the changing business environment, CPCL constantly reviews its business policies and practices towards developing a sustainable business agenda. Industry practices/standards at National level are kept in view while devising such policies.

Note for P2: Majority of the fuel products produced by CPCL are being marketed by Indian Oil Corporation Limited, the holding Company. CPCL markets speciality products to various end users and Customers including pipeline sale to downstream industries, based on laid down guidelines.</td></tr>
<tr><td>Does the policy confirm to any national / international standards? If yes, specify? (50 words)</td></tr>
<tr><td>Has the policy being approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?</td><td colspan="9">The policies are approved at appropriate levels by the competent authority including the Board, wherever required</td></tr>
<tr><td>Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?</td><td colspan="9">Policy frameworks are regularly monitored in course of the Company's day-to-day business operations. Additionally, Board has delegated certain powers to various committees of the Board with distinct roles and responsibilities.</td></tr>
<tr><td>Indicate the link for the policy to be viewed online?</td><td colspan="9">https://www.cpcl.co.in/policies
https://www.cpcl.co.in/safety
https://www.cpcl.co.in/safety/sheq
https://www.cpcl.co.in/corporategovernance
https://www.cpcl.co.in/codeofconduct</td></tr>
<tr><td>Has the policy been formally communicated to all relevant internal and external stakeholders?</td><td colspan="9">Yes</td></tr>
<tr><td>Does the company have in-house structure to implement the policy/ policies?</td><td colspan="9">Yes</td></tr>
<tr><td>Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy / policies?</td><td colspan="9">Yes</td></tr>
<tr><td>Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?</td><td colspan="9">Policies are constantly monitored and reviewed from time to time.</td></tr>
</table>

3	Governance related to BR:	
	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company: Within 3 months, 3-6 months, Annually, More than 1 year.	Various principles of BR performance constitute an integral part of the day to day operations of the Company and the same are reviewed by the Board / Committee of the Board from time to time.

	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, CPCL publishes Corporate Sustainability Report annually. Sustainability Report 2017-18 can be accessed from the following link: https://www.cpcl.co.in/corporategovernance. The Business Responsibility Report will be published as a part of the Annual Report for the year 2019-20 and the same will be uploaded in the website
	Section E: Principle-wise performance	
1	**Principle 1**	
	1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	Yes. The Company has in place adequate measures and controls to address issues relating to ethics, bribery and corruption in the context of appropriate policy guidelines issued by the Government from time to time. The policy relating to ethics, bribery and corruption covers the company as well as its business partners.
	2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The Company received 583 queries, requests and complaints from the shareholders during the year 2019-20, which were subsequently resolved.
	Other complaints during the year	Nil
		Moreover, during the year, 26 complaints were received and disposed through Public Grievance Redressal system in satisfaction of both the parties
2	**Principle 2**	
	1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Over the years, the Company has taken action towards quality improvement of its transportation fuels, namely Motor Spirit (MS) & High Speed Diesel (HSD), at a cost of ₹ 4000 crore, which constitute two of its major products from Manali Refinery. Further, in order to supply BS-IV grade Diesel from Manali Refinery, facility has been created at a cost of ₹ 310 Crore. CPCL is also implementing a project to produce MS & HSD meeting BS–VI quality norms at an estimated cost of about ₹ 1858 Cr.- The project consists of following:- i) A new 0.6 MMTPA Gasoline Desulphurisation Unit (GDS) to produce gasoline having less than 8 ppm sulphur. ii) Revamp of the existing Diesel Hydro Treating (DHDT) unit from (1.8 MMTPA to 2.4 MMTPA) so that the refinery diesel pool sulphur content is brought to less than 8 ppm. iii) Associated off-site facility. CPCL's R&D centre has carried out the following initiatives: **Pilot plant study on the production of Group –II base oil** Suitable Catalysts for the study had been received and the feedstock preparation completed. Catalytic de-waxing and hydro-finishing studies of the above feedstock will be initiated to produce Group II LOBS. **Project on "Renewable crude and liquid hydrocarbon fuel from Algae"** Algae productivity study in 4000 m2 raceway pond is being carried out to obtain one year data starting from Sep.2019. **HTL study on the conversion of algae biomass to Bio-crude** Hydrothermal Liquefaction (HTL) Study is being conducted with bio-mass obtained from 4000 m2 pond to obtain one year bio-crude yield data starting from Sep.2019. These initiatives help the Company to meet the stringent environmental norms.

List of 3 such products	List of such products or services: • Supply of BS VI MS and HSD started from 01st Dec'19, well ahead of mandated timeline. Majority of the fuel products produced by CPCL are being marketed by Indian Oil Corporation Limited, the holding Company
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	**Lower negative impact on Environment** Supply of low-Sulphur transportation fuels (petrol & diesel) and alternate fuels have led to fossil-fuel substitution and relatively lower negative impact on the environment.– Presently, CPCL is supplying 100 % BS-VI (Diesel & Petrol) from 1st April, 2020 with the maximum sulphur content of 10 ppm compared to the earlier value of 50 ppm in line with BS-IV norms. **1. Efficiency in crude oil sourcing & vessel utilization:** Opening crude inventory for FY 2019-20 was 21.2 days and the closing inventory was 21.3days, which is less than the desirable level of about 26 days. Against MoU throughput of 10400 TMT, CPCL achieved 10161 TMT in 2019-20 and CPCL was able to procure additional crude excess of the term quantity to meet the processing requirement, while keeping the inventory under control. **Energy Conservation:** i) The following major Encon measures were undertaken taken in 2019-20 • Avoid Plant -2 Splitter Flaring. • Routing of ISOM C7+ (Hot) to CCR. • Pressure Swing Adsorption Unit II Revamp from 6 beds to 8 beds. • Implementation of Pinch in Propane De-Asphalting unit for preheat improvement • Steam reduction in DHDT stripper by installation of high capacity trays. • Plant 205 Hydrogen small valve routing to Fuel gas instead of flare. • Routing of DHDS Filter backwash to feed tank • Rich Amine interconnection from Plant 18 to 89. • Installation of HP->MP PRDS in CCR OBSG. The above measures resulted in an estimated savings of about 27,900 Standard Refinery Fuel Tonnes/annum (0.279% savings on Fuel & Loss) valuing around ₹ 83.70 crore.)
3. Does the company have procedures in place for sustainable sourcing (including transportation)?	Yes.
i. If yes, what percentage of your inputs was sourced sustainably?	Oil & Gas sector is particularly vulnerable to sectoral threats like depletion of resources and geo-political uncertainties. The Company has long and short term contracts in place for its crude oil procurement. Moreover, the Company has diversified its global crude sourcing centers. Further, efforts are put for optimization of crude basket and to minimize inventories. About 20% is sourced through indigenous sources, 80% imported, through long term & short term firm contracts.
	Company has implemented e-Tendering, e- Procurement and e-Payment. Procurement through e-tendering was done to the extent of 92% by value in respect of Materials Procurements and 100% by value in respect of Works Contracts/Services was achieved during the year 2019-20. An MoU was already entered into with Transparency International India (TII) for implementing an Integrity pact programme focused on enhancing transparency in business transactions, contracts and procurement processes and is in practice.

		CPCL markets speciality products through pipeline transportation to downstream industries. –
	4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	With regard to the Public Procurement Policy (PPP) for Micro & Small Enterprises (MSEs) Order 2012 - Government of India, CPCL has procured ₹ 263.63 Crores (Materials & Services) from MSE Vendors out of the total procurement of ₹ 604.85 Crores made during the financial year 2019-20. The procurements made from the MSE Vendors work out to 43.59 % of the total procurements made during the financial year 2019-20, which is higher than the 25% target set by the Government. The procurement percentage of 43.59% from MSE Vendors include 1.55% (Rs. 9.39 Crores) procured from the enterprises owned by SC/ST Entrepreneurs against the sub-target of 4% and 0.76% (Rs. 4.60 Crores) procured from the enterprises owned by Women Entrepreneurs against the sub target of 3% earmarked in the Government order. The balance 2.45% and 2.24% against the Sub-targets of 4% and 3% earmarked for procurements from MSEs owned by SC/ST and Women Entrepreneurs respectively were met by way of procurements from other Micro and Small Enterprises in line with the Government Policy. Several initiatives were undertaken by CPCL to identify the MSE entrepreneurs owned by SC/ST Entrepreneurs and Women Entrepreneurs by way of conducting Vendor Development Programmes along with the Ministry of MSME and NSIC and also CPCL took part in the other MSE Vendor development meets conducted by the other Organisations and elaborated the procurement opportunities in CPCL.
	5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	CPCL makes continuous efforts to recycle products and waste through installation of Effluent Treatment Plants, Sewage Treatment Plants and other sustainable practices like bio-remediation of oily sludge, rainwater harvesting, etc. During the year, about 94.5% of treated effluent was reused in refinery operations and 3519 MT of oily sludge was treated for oil recovery.
3	**Principle 3**	
	1. Please indicate the Total number of employees.	Total number of employees as on 31.3.2020 is 1684.
	2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.	No employee is hired on temporary/ contractual / casual basis. CPCL awarded job contracts to contractors at its various locations for several ongoing projects as well as operational needs. The contractors, in turn, engaged around **6893** contract workers during the year 2019-20. CPCL, as a principal employer, ensures that all statutory requirements are duly complied with.
	3. Please indicate the Number of permanent women employees.	Total number of permanent women employees as on 31.3.2020 is 88.
	4. Please indicate the Number of permanent employees with disabilities.	There are 38 permanent employees with disabilities.
	5. Do you have an employee association that is recognized by management?	Yes. Chennai Petroleum Employees' Union (CPEU) represents the non-executive employees and Chennai Petroleum Officers' Association (CPOA) represents the executives. Both are recognized by the Management.
	6. What percentage of your permanent employees is members of this recognized employee association?	Over 90% of the employees (non-executives and executives) are members of the recognized union and officers' association
	7. Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial yr and pending, as on the end of the financial yr.	As given below:

Sl. No.	Category	No. of complaints filed during 2019-20	No. of complaints pending as on end of the financial yr
1	Child labour/forced labor/ involuntary labor	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

	8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	**Category** - **%** Permanent male Employees - 77% Permanent women Employees - 88% Permanent Employees with disability - 79% Casual/Temporary/Contractual Employees/Contract labor - 95%
4	**Principle 4**	
	1. Has the company mapped its internal and external stakeholders? Yes/No	Yes.
	2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes. The company has identified its disadvantaged, vulnerable and marginalized stakeholders.
	3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	Yes. For engagement of disadvantaged, vulnerable and marginalized external stakeholders, CSR initiatives are undertaken. During the year 2019-20, CPCL has spent an amount of ₹ 1671.72 lakhs on CSR for the benefit of the under-privileged section of the society. CPCL scrupulously follows the Presidential Directives and guidelines issued by Government of India regarding reservation in services for SC/ ST/ OBC/ PWD (Persons with Disabilities)/ Ex-servicemen to promote inclusive growth. Out of the total manpower, there were 375 SC employees and 49 ST employees constituting 22.27% and 2.91% of the total manpower respectively.
5	**Principle 5**	
	1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs/ Others?	The policy of the company covers human right principles. As a part of the commitment towards meeting its societal needs, CPCL believes in safeguarding human rights within its sphere of influence.
	2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaint on human rights violations was received during 2019-20
6	**Principle 6**	
	1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.	The policy on Health, Safety and Environment (HSE) covers the Company only. CPCL is committed to conduct business with a strong environmental conscience ensuring sustainable development, safe work places and enrichment of quality of life of employees, customers and the community residing in the neighbourhood of its refineries in Manali and Cauvery Basin in Nagapattinam.
	2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes. Company's Policy on Sustainable Development encompasses environmental, social and economical aspects of the entire business operations and identifies roles and responsibilities of various departments to achieve goals of sustainable development. The Board Committee on CSR & Sustainable Development is the apex body to plan strategies and monitor Sustainable Development initiatives. Corporate Sustainability Report is published annually which gives a full account of all Sustainable Development initiatives, environmental, social and economical performances of the Company The objectives of the company including best practices on Safety, Health and Environment Management System can be accessed through the link https://www.cpcl.co.in/safety
	3. Does the company identify and assess potential environmental risks? Y/N	Yes. Regular assessment of the environmental risks associated with refinery operations is carried out on yearly basis. Environmental risk assessment is carried out for every project before the project is executed as mandatory requirement for statutory clearance.
	4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	The Company does not have any project, related to Clean Development Mechanism.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes. CPCL is continuously striving for adopting new initiatives and is a pioneer in renewable energy in oil sector. **a) Solar Energy:** CPCL currently operates 3 Roof Top Solar Power units with a combined capacity of 0.196 MW at Chennai and Nagapattinam in Tamilnadu State. Solar Energy project of 2 MW capacity is under implementation. **b) Wind Energy:** CPCL commissioned 22 wind mills with an installed capacity of 17.6MW at Pushpathur, TamilNadu in the year 2007, which is currently generating wind power and the same is being utilized in Desalination Plant at Chennai through wheeling mechanism..
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes. The emissions/ waste generated by the company are within the prescribed limits of Central Pollution Control Board (CPCB) / Tamilnadu State Pollution Control Board (TNPCB) norms.
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	The status of show cause / legal notices received from CPCB / TNPCB by end of Financial Year 2019-20 are as follows: **CPCB:** 1. NGT: CPCB filed a case in NGT towards non compliance of notice served under section 5 (non closure of unit) and CPCL was relived from the case as CPCL has paid the Environmental Compensation Charges levied by CPCB under protest. **TNPCB:** 1. Show cause notice served for the following reasons: a. Operation of units without valid consent order **Reply given::** Online submission of application for CTOs were completed before the expiry of previous CTOs. Further, informed that TNPCB has returned the application in spite of submission of requisite documents & explained about the efforts & the visit done by various levels of management with TNPCB, Chairman & others. b. Letting out of storm water from CPCL to Buckingham canal and the presence of oil traces **Reply given::** CPCL is not letting out any water to Buckingham canal as the entire storm water is recycled back to the system considering the water scarcity & rationalization of water from CMWSSB. Further, it was replied that CPCL is not responsible for the presence of oil traces in the Buckingham canal as CPCL is one among the industries handling oil in the Manali industrial area and CPCL is having closed circuited slop oil handling system. Hence, any slippage & ingress of oil to Buckingham canal is ruled out. c. Non operation of Ref III flaring system, green colour gaseous emission & letting out of unburnt gas through flare **Reply given::** CPCL countered that the TNPCB content on non operation of flare system is not correct. Further, explained about the safety features and the importance of flaring system and the process of flaring as per process licensor guidelines. Regarding unburnt gas, it was replied that the presence of pilot burner will always ensure the complete burning of flare gas. d. 50% of gas was flared & the remaining is let out unburnt in Ref I & II flare system with black smoke

		Reply given:: CPCL replied on the start up activities of Ref I after M&I shut down and the flaring was slightly high during the stabilization of the unit and the same was normalized. Regarding unburnt gas, it was replied that the presence of pilot burner will always ensure the complete burning of flare gas.
7	**Principle 7**	
	1. Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:	Yes. The details are provided below:

Associations	Natl/Int'l
a) Transparency International India (TII)	National
b) Federation of Indian Petroleum Industry (FIPI)	National
c) Confederation of Indian Industry	National
d) Standing Conference of Public Enterprises (SCOPE)	National
e) Madras Chamber of Commerce & Industry (MCCI)	National
f) Global Compact Network (GCN)	National
j) Manali Industries Association (MIA)	National

	2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes, In association with various national bodies, the Company actively participates and firms up opinions on Industry related issues which have significant impact on public policy. References of different ministries of the government are attended to with in-depth analysis. CPCL is a member of UN Global Compact Network and extends support in implementing the ten guiding principles in United Nations agenda on human rights, labour standards, environment and anti-corruption.
8	**Principle 8**	
	1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof..	Yes. The scheme-wise list of CSR&SD activities are given below The details of Community Development Projects are as under (₹ in lakhs)

S.No.	CSR Project	Amount Spent
1	Running of 4 Community Health Care Centers	81.36
2	Medical Camps	8.07
3	Cancer Screening and Treatment of Women in Manali and Thiruvottiyur, near CPCL Manali Refinery through Cancer Institute, Chennai for 5 years	25.00
4	Mobile Medical Unit through Helpage India in Ramanathapuram District	20.52
5	Mobile Medical Unit through Helpage India in Nagapattinam District	20.52
6	Support to Oncology Block at Govt Multi Super Speciality Hospital, Chennai	30.00
7	Medical Camps for villages at Nagapattinam (part of Villages adoption project)	9.83
8	Activities on Healthcare theme in Ramanathapuram and Virudhunagar	10.98
9	Contribution to CPCL Education Trust which runs the CPCL Polytechnic College	50.00
10	Empowerment of Women in Coastal villages through adoption of brackish water aquaculture and allied technologies in Chennai and Nagapattinam (CIBA)	37.41
11	Scholarship to Meritorious Children	11.78

(₹ in lakhs)

S.No.	CSR Project	Amount Spent
12	School and Anganwadis Pedagogy in Villages (part of Viallges adoption project in Nagapattinam)	8.08
13	School and Anganwadis Infrastructrure Improvement in Villages (part of Villages adoption project in Nagapattinam)	69.00
14	Maintenance of School Toilets / School premises (Chennai)	8.35
15	Maintenance of School Toilets (CBR)	3.61
16	Swachh Police Scout Boys Club under the control of Local Police station	4.62
17	Support for School Education (Schoo/ Toilets & ICT Classrooms) in Ramanathapuram	52.80
18	Support for School Education (School Toilets) in Virudhunagar	29.70
19	Graphic & Financial accounting skills for poor and needy youth through Vivekananda cultural centre	12.82
20	Swachh Bharat Campaign & Awareness programme	78.87
21	Adoption of Villages through IIT Madras Gopurajpuram (including Vellalapakkam) and Panangudi Village	876.36
22	Barrier free Utility area & toilets for Individuals with Multiple Disabilities (NIEPMD)	22.22
23	Contribution to Swachh Bharat kosh	10.00
24	Creche at Manali	0.39
25	Assistive devices for Differently abled through ALIMCO at Virudhunagar	40.00
26	Livelihood projects - Tailoring Course for poor and needy women / differently abled (blind) & contribution of furnitures / books to rural community library at Goundarpalayam Village	4.97
27	Livelihood Projects - Special Olympics International Football	10.00
28	Contribution to Armed forces Flag day fund	5.00
29	Evaluation of CSR & SD Activities for 2018-19	2.35
30	Administrative Overhead (Salary)	66.27
31	Contribution towards stipend paid to apprentices engaged over & above the minimum mandate under Apprentices Act, 1961	60.84
	TOTAL	**1671.72**

2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?	As specified under rule 4(2) of the Companies (CSR Policy) Rules 2014, implementation of the CSR activities are being done through the modes permitted, namely: a) Registered Trust like CPCL Education Trust which runs the CPCL Polytechnic College, b) Other Companies / Govt departments like IIT (M), ALIMCO, Sarva Shiksha Abhiyaan, District Administration, NIEPMD, etc c) Reputed Charitable Institutions like Helpage India, Sri Ramakrishna Mission, Sri Ramakrishna Math, Cancer Institute (WIA), Rotary Club of Chennai Towers, etc
3. Have you done any impact assessment of your initiative?	Yes. The evaluation of CSR activities for the year 2018-19 including impact assessment was carried out by M/s.Loyola College and they had concluded that the CSR activities of CPCL are highly beneficial to the society.
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	Please refer reply to Qn.No.1 of Principle 8

	5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes. Various social welfare initiatives viz. healthcare, education and scholarships, skill development programs, provision of drinking water, distribution of aids / appliances to disabled, sanitation, Swachh bharat activities, etc. are undertaken with focus on the economically and socially deprived sections of society, mostly around its refineries i.e. Manali, Chennai & Cauvery Basin, Nagapattinam. Further, as directed by GoI to raise the living standards and to ensure the inclusive growth of the people in the backward districts identified as Aspirational Districts, CPCL had undertaken various CSR initiatives in Virudhunagar & Ramanathapuram districts being the Aspirational Disricts in Tamil Nadu.
9	**Principle 9**	
	1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	No customer complaints are pending as on 31.03.2020.
	2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)	Yes. Our specialty products namely Food Grade Hexane and Paraffin Wax (All grades) follow Bureau of Indian Standards (BIS) guidelines for product information and labelling. Certificate of Conformity along with BIS licence no. is issued for FG Hexane as per BIS regulation with each consignment. BIS licence is printed on each bag on Paraffin wax (All grades) Specification of Feedstock and other products supplied to downstream industries are firmed up and agreed between Buyer and Seller.
	3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	NIL
	4. Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes. Besides regular customer engagement initiatives, the Company conducts consumer survey / market feedback through Customer meets to improve upon deliverables to meet customer expectations.

Annexure - VIII
Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
CHENNAI PETROLEUM CORPORATION LIMITED
No. 536, Anna Salai, Teynampet,
Chennai – 600 018

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CHENNAI PETROLEUM CORPORATION LIMITED** (CIN: L40101TN1965GOI005389) (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. **(Not Applicable with respect to Overseas Direct Investment and External Commercial Borrowings during the Audit period)**.

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the Audit period)**.

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit period)**.

   (h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit period)**.

   (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

vi. All other laws which are applicable specifically to the Company in the Petroleum and Refining sector.

We report that the applicable financial laws, such as the Direct and Indirect Tax Laws, have not been reviewed under our audit as the same falls under the purview of statutory audit and by other designated professionals.

We have also examined the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) Guidelines on Corporate Governance as issued by the Department of Public Enterprises applicable to Central Public Sector Enterprises (Hereinafter referred as "DPE Guidelines").

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except for the following:

1. The Board of Directors of the Company is not comprised of requisite number of Independent Directors as prescribed under the Securities Exchange Board of India, (Listing

Obligations and Disclosure Requirements), 2015 and DPE Guidelines

2. The composition of the Audit Committee of the Company do not comprise of requisite number of Independent Directors as prescribed under the Securities Exchange Board of India, (Listing Obligations and Disclosure Requirements), 2015 and DPE Guidelines for the period commencing from 17.10.2019 to 24.02.2020. The Audit Committee was re-constituted on 25.02.2020, complying with the requirement

3. The company did not have an Independent Woman Director as prescribed under proviso of Regulation 17(1)(a) of the Securities Exchange Board of India. (Listing Obligations and Disclosure Requirements), 2015 for period commencing from 01.04.2019 to 30.10.2019.

We further report that:

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally, adequate notice was given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance/at a shorter notice as per provisions of the Act and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting and other business which are not included in the Agenda or circulated at a shorter notice are considered vide supplementary agenda with the permission of the Chairman and with the consent of a majority of the Directors present in the Meeting.

All the decisions at Board meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that based on the written representations received from the officials / executives of the Company, there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under review:

a) The Company has passed a Special Resolution under Section 180(1)(a) and 180(1)(c), in Annual General Meeting held on 21st August, 2019, to grant powers to Board of Directors/Managing Director/ Director Finance to borrow up to ₹ 10,000/- Crores and Hypothecate/Mortgage the assets of the company;

b) The Company has alloted 11,450 Unsecured, Non – Convertible, Redeemable Debentures (SERIES I - 2020) of ₹ 10,00,000/- each aggregating to sum of ₹ 1,145/- Crores with an interest of 6.43% p.a, pursuant to Resolution passed by the Board of Directors dated 18th January, 2020

c) The Company has transferred an amount of ₹ 19,18,094/- being the unclaimed / unpaid dividend, pertaining to the financial year 2011-12, to the Investor Education and Protection Fund on 10th October, 2019 as prescribed under Section 124 of the Companies Act, 2013.

d) The Company has transferred 1,08,903 Equity Shares of ₹ 10/- each in respect of which dividend has not been claimed or paid for seven consecutive years to the Demat account of Investor Education and Protection Fund Authority on 02.11.2019.

We further report that during the audit period, there were no instances of:

(i) Public / Right / preferential issue of Shares / Sweat Equity, etc.

(ii) Foreign technical collaborations.

This report is to be read with our letter of even dated which is annexed as Annexure A and form an integral part of this report.

For A.K. JAIN & ASSOCIATES
Company Secretaries

BALU SRIDHAR
Partner
FCS No. 5869
C. P. No. 3550
UDIN: F005869B000306171

Place: Chennai
Date: 01.06.2020

‘Annexure A’

To,
The Members,
CHENNAI PETROLEUM CORPORATION LIMITED
No. 536, Anna Salai, Teynampet,
Chennai – 600 018

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliances of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For A.K.JAIN & ASSOCIATES
Company Secretaries

BALU SRIDHAR
Partner
FCS No. 5869
C. P. No. 3550
UDIN: F005869B000306171

Place: Chennai
Date: 01.06.2020

Annexure - IX

Related Party Disclosures in compliance with Ind-AS 24, are given below:

1. Relationship with Entities

A. Details of Holding Company

1) Indian Oil Corporation Limited (IOCL)

The following transactions were carried out with Holding Company in the ordinary course of business: (₹ in Crore)

Particulars	31-Mar-2020	31-Mar-2019
• Sale of Products and Services	**45180.87**	46947.92
• Dividend on Preference Shares	**33.25**	66.50
• Dividend paid on Equity Shares	**-**	142.94
• Sale of Scrap / Catalyst	**0.11**	1.03
• EDP Maintenance	**3.20**	3.01
• Other Operating Income	**2.95**	-
• Other Non operating Income	**32.63**	3.51
• Purchase of Raw Material	**105.81**	981.62
• Purchase of Stock-in-Trade	**268.10**	207.78
• Purchase of Stores & Spares	**11.64**	5.47
• Canalising commission	**2.50**	2.50
• Terminalling Charges	**6.75**	8.74
• Rental Expenditure	**1.73**	2.07
• Training Expenses	**0.24**	-
• Other Miscellaneous Expenditure	**0.16**	-
• Purchase of RLNG	**682.45**	6.88
• Finance Cost - Unwinding of finance cost	**0.37**	0.00
• Creation of capital facilities by IOCL	**-**	8.11
• Capital Advances / (Liabilities)	**(4.58)**	0.79
• Outstanding Receivables	**63.85**	63.59
• Other Liabilities - Land given on lease	**15.15**	-
• Other Non - current Assets - Land given on lease	**15.44**	-
• Outstanding payables		
Trade Payables	**1077.01**	1677.14
Preference Shares (at face value)	**500.00**	500.00

B. Details of Joint Ventures

i) Indian Additives Limited		(₹ in Crore)
Particulars	**31-Mar-2020**	31-Mar-2019
• Investment	**11.83**	11.83
• Sale of Product	**33.67**	51.52
• Rental income	**0.60**	0.58
• Dividend received	**5.92**	5.92
• Sale of Water	**0.01**	-
• Outstanding Receivables	**3.48**	3.46

ii) **National Aromatics & Petrochemicals Corp. Limited** (₹ in Crore)

Particulars	31-Mar-2020	31-Mar-2019
• Investments in Joint Venture Entities/ Associates*	**0.03**	0.03

* The Investment has been fully impaired (Note - 4)

C. Entities Over which KMP has significant influence (₹ in Crore)

i) CPCL Educational Trust		
Particulars	**31-Mar-2020**	31-Mar-2019
• CSR Expenses	**0.50**	0.70
• Miscellaneous Expenses	**0.01**	-

D. Associates of Holding Company

i) Indian Oil tanking Limited (formerly known as IOT Infrastructure & Energy Services Limited)		(₹ in Crore)
Particulars	**31-Mar-2020**	31-Mar-2019
• Terminalling/Bottling Charges	**-**	1.58
• Capital Projects	**-**	8.10
• Outstanding payable	**4.76**	11.71

E. Government related entities where significant transactions are carried out:

Apart from transactions reported above, the company has transactions with other Government related entities, which includes but not limited to the following:

Name of Government: Government of India (Central and State Government)

Nature of Transactions:

- Sale of Product and Services
- Purchase of Product
- Purchase of Raw Materials
- Handling and Freight Charges, etc.
- Borrowings

These transactions are conducted in the ordinary course of the Company's business on terms comparable to those with other entities that are not Government-related

2) Key Managerial Personnel

A. Whole Time Directors / Company Secretary

1) Shri S.N. Pandey
2) Shri Rajeev Ailawadi (w.e.f. 08.05.2018)
3) Shri R.Srikanthan (w.e.f. 13.08.2018)
4) Shri. S.Krishnan (w.e.f. 01.03.2020)
5) Shri G.Aravindan (Upto 28.02.2020)
6) Shri P.Shankar

B. Independent / Part time Non-Executive Directors (Government / IOCL/ NICO Nominee)

1) Shri Sanjiv Singh (Non - Executive Chairman)
2) Smt. Perin Devi
3) Shri Mohammad Bagher Dakhili
4) Shri Babak Bagherpour (w.e.f. 27.03.2019)
5) Shri D. Durai Ganesan (w.e.f. 14.8.2018)
6) Shri Amitabh Mathur (w.e.f. 29.07.2019)
7) Shri Myneni Narayana Rao (w.e.f. 29.07.2019)
8) Smt Sobha Surendran (w.e.f. 31.10.2019)
9) Shri B V Rama Gopal (Upto 31.07.2019)
10) Shri Mrutunjay Sahoo (Upto 31.01.2020)
11) Dr.P.B.Lohiya (Upto 31.01.2020)
12) Shri S.M. Vaidya (w.e.f 01.08.2019)

C) Details relating to the parties referred to in Item No.2A & 2B above :

For the Year ended 31-Mar-2020 (₹ in Crore)

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Sitting Fee	Outstanding loans/advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri S.N. Pandey	0.36	0.09	0.05	-	0.50	-	-
2) Shri G.Aravindan	0.41	0.08	0.29	-	0.78	-	-
3) Shri Rajeev Ailawadi	0.39	0.08	0.09	-	0.56	-	-
4) Shri R.Srikanthan	0.38	0.08	0.01	-	0.47	-	-
5) Shri S. Krishnan	0.03	0.01	-	-	0.04	-	0.04
6) Shri P.Shankar	0.36	0.08	0.05	-	0.49	-	0.10
B. Independent / Government Nominee Directors#							
1)Shri. D.Durai Ganesan	-	-	-	-	-	0.03	-
2) Shri. Amitabh Mathur	-	-	-	-	-	0.02	-
3) Shri. Myneni Narayana Rao	-	-	-	-	-	0.02	-
4) Smt. Sobha Surendran	-	-	-	-	-	0.01	-
5) Shri Mrutunjay Sahoo	-	-	-	-	-	0.05	-
6)Dr.P.B.Lohiya	-	-	-	-	-	0.05	-
TOTAL	**1.93**	**0.42**	**0.49**	**-**	**2.84**	**0.18**	**0.14**

Sitting fees paid to Independent Directors

For the Year ended 31-Mar-2019 (₹ in Crore)

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Sitting Fee	Outstanding loans/advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri S.N. Pandey	0.51	0.08	-	-	0.59	-	0.01
2) Shri G.Aravindan	0.52	0.08	-	-	0.60	-	-
3) Shri Rajeev Ailawadi	0.35	0.06	-	-	0.41	-	0.00
4) Shri R.Srikanthan	0.37	0.09	0.02	-	0.48	-	-
5) Shri U.Venkataramana	0.17	0.03	-	-	0.20	-	0.00
6) Shri P.Shankar	0.48	0.07	-	-	0.55	-	0.11

B. Independent / Government Nominee Directors[#]							
1) Shri Mrutunjay Sahoo	-	-	-	-	-	0.06	-
2) Dr.P.B.Lohiya	-	-	-	-	-	0.06	-
3) D.Durai Ganesan	-	-	-	-	-	0.02	-
TOTAL	**2.40**	**0.41**	**0.02**	**0.00**	**2.83**	**0.14**	**0.12**

[#]Sitting fees Paid to Independent Directors

This does not include the impact of provision made on actuarial valuation of retirement benefit/long term Schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual directors

3) Trusts

Transactions with Post Employment Benefit Plans managed through separate trust (₹ in Crore)

Sl. No	Post Employment Benefit Plan	Post Employment Benefit Plan	31-Mar-20		31-Mar-19	
			Contribution by Employer	**Outstanding Payable**	**Contribution by Employer**	**Outstanding Payable**
A	CPCL Employees Provident Fund	Provident Fund	22.74	0.55	20.97	5.00
B	CPCL Employees Superannuation Benefit Fund	Pension Scheme	22.71	-	22.53	-
C	CPCL Employees Group Gratuity Trust	Gratuity	0.30	21.90	59.59	5.57
D	Post Retirement Medical Benefit Trust	PRMB	195.00	41.67	-	-

Annexure - X

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN
for the financial year ended 31.03.2020
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I REGISTRATION & OTHER DETAILS:

i	CIN	L40101TN1965GOI005389
ii	Registration Date	30.12.1965
iii	Name of the Company	CHENNAI PETROLEUM CORPORATION LIMITED
iv	Category/Sub-category of the Company	SUBSIDIARY
v	Address of the Registered office & contact details	N0 536, Anna Salai, Teynampet, Chennai-600018
vi	Whether listed Company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	K Fin Technologies Pvt Limited, Tower B, Plot 31 & 32, Selenium Tower, Gachibowli, Hyderabad 500032

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	HSD		54.69%
2	MS		15.99%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Indian Oil Corporation Limited, G-9, Ali Yavar Jung Marg, Bandra East, Mumbai 400051	L23201MH1959GOI011388	Holding	51.89	2(45)
2	Indian Additives Limited, Express High way, Manali, Chennai 600068	U24294TN1989PLC017705	Joint Venture	50	2(6)
3	National Aromatics and Petrochemicals Corporation Limited	U1110TN1989PLC017403	Joint Venture	50	2(6)

MGT 9 (IV) (i) Category - Wise Share Holding Between 30/03/2019 AND 31/03/2020

CATEGORY CODE		CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2019				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2020				% CHANGE DURING THE YEAR
			DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)		(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)		**PROMOTER AND PROMOTER GROUP**									
(1)		**INDIAN**									
	(a)	Individual /HUF	0	0	0	0.00	0	0	0	0.00	0.00
	(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
	(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
	(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
	(e)	Others	77265200	0	77265200	51.89	77265200	0	77265200	51.89	0.00
		Sub-Total A(1) :	**77265200**	**0**	**77265200**	**51.89**	**77265200**	**0**	**77265200**	**51.89**	**0.00**
(2)		**FOREIGN**									
	(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
	(b)	Bodies Corporate (NAFTIRAN INTERTRADE CO LTD)	22932900	0	22932900	15.40	22932900	0	22932900	15.40	0.00
	(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
	(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
		Sub-Total A(2) :	**22932900**	**0**	**22932900**	**15.40**	22932900	**0**	**22932900**	**15.40**	**0.00**
		Total A=A(1)+A(2)	**100198100**	**0**	**100198100**	**67.29**	**100198100**	**0**	**100198100**	**67.29**	**0.00**
(B)		**PUBLIC SHAREHOLDING**									
(1)		**INSTITUTIONS**									
	(a)	Mutual Funds /UTI	12476682	4600	12481282	8.38	18018441	4600	18023041	12.10	3.72
	(b)	Financial Institutions /Banks	7700861	100	7700961	5.17	5853095	100	5853195	3.93	-1.24
	(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
	(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
	(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
	(f)	Foreign Institutional Investors	13115501	2600	13118101	8.81	5865386	2600	5867986	3.94	-4.87
	(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
	(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	(i)	Others	0	0	0	0.00	1908788	0	1908788	1.28	1.28
		Sub-Total B(1) :	**33293044**	**7300**	**33300344**	**22.36**	**31645710**	**7300**	**31653010**	**21.26**	**-1.11**

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2019				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2020				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(2)	**NON-INSTITUTIONS**									
(a)	Bodies Corporate	1356579	13400	1369979	0.92	1055126	13300	1068426	0.72	-0.20
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	9337721	797002	10134723	6.81	10992397	696934	11689331	7.85	1.04
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	2312327	0	2312327	1.55	2432006	0	2432006	1.63	0.08
(c)	Others									
	CLEARING MEMBERS	131515	0	131515	0.09	217241	0	217241	0.15	0.06
	FOREIGN NATIONALS	100	0	100	0.00	100	0	100	0.00	0.00
	I E P F	400263	0	400263	0.27	507966	0	507966	0.34	0.07
	NBFC	7418	0	7418	0.00	1350	0	1350	0.00	0.00
	NON RESIDENT COMPANIES	0	300	300	0.00	0	300	300	0.00	0.00
	NON RESIDENT INDIANS	**451773**	**438600**	**890373**	**0.60**	**552400**	**388200**	**940600**	**0.63**	**0.03**
	NRI NON-REPATRIATION	153638	0	153638	0.10	188250	0	188250	0.13	0.02
	TRUSTS	**12320**	**0**	**12320**	**0.01**	**14720**	**0**	**14720**	**0.01**	**0.00**
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	**14163654**	**1249302**	**15412956**	**10.35**	**15961556**	**1098734**	**17060290**	**11.46**	**1.11**
	Total B=B(1)+B(2) :	**47456698**	**1256602**	**48713300**	**32.71**	**47607266**	**1106034**	**48713300**	**32.71**	**0.00**
	Total (A+B) :	**147654798**	**1256602**	**148911400**	**100.00**	**147805366**	**1106034**	**148911400**	**100.00**	**0.00**
(C)	**Shares held by custodians, against which**									
	Depository Receipts have been issued									
(1)	Promoter and Promoter Group									
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	**147654798**	**1256602**	**148911400**	**100.00**	**147805366**	**1106034**	**148911400**	**100.00**	

Shareholding pattern of promoters between 30/03/2019 and 31/03/2020

					Shareholding at the begginning of the Year					**Cumulative Shareholding during the Year**	
Sl no.	**Folio/Dpid-Clientid**	**Category**	**Type**	**Name of the Share Holder**	**No of Shares**	**% of total shares of the company**	**Date**	**Increase/ Decrease in share holding**	**Reason**	**No of Shares**	**% of total shares of the company**
1	AAACI1681G	IOC	Opening Balance	INDIAN OIL CORPORATION LIMITED	77265200	51.89	30/03/2019			77265200	51.89
			Closing Balance				31/03/2020			77265200	51.89
2	AADCN0259L	NIT	Opening Balance	NAFTIRAN INTER TRADE COMPANY LTD	22932900	15.40	30/03/2019			22932900	15.40
			Closing Balance				31/03/2020			22932900	15.40

Shareholding pattern of top 10 Sharehodlers - Report Between 30/03/2019 AND 31/03/2020

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2018 AND 30/03/2019											
					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Slno	Folio/Dpid-Clientid	Category	Type	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
1	AAATB0102C	MUT	Opening Balance	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C	7544646	5.07	30/03/2019			7544646	5.07
			Sale				05/04/2019	-50000	Transfer	7494646	5.03
			Purchase				12/04/2019	50600	Transfer	7545246	5.07
			Sale				17/05/2019	-279400	Transfer	7265846	4.88
			Sale				24/05/2019	-741448	Transfer	6524398	4.38
			Sale				26/07/2019	-18000	Transfer	6506398	4.37
			Purchase				04/10/2019	100000	Transfer	6606398	4.44
			Purchase				31/12/2019	31800	Transfer	6638198	4.46
			Purchase				03/01/2020	213354	Transfer	6851552	4.60
			Sale				21/02/2020	-55543	Transfer	6796009	4.56
			Closing Balance				31/03/2020			6796009	4.56
2	AAACL0582H	IFI	Opening Balance	LIFE INSURANCE CORPORATION OF INDIA	4852842	3.26	30/03/2019			4852842	3.26
			Sale				07/02/2020	-3000	Transfer	4849842	3.26
			Closing Balance				31/03/2020			4849842	3.26
3	AABTS6407Q	MUT	Opening Balance	SBI MAGNUM MULTICAP FUND	2829000	1.90	30/03/2019			2829000	1.90
			Purchase				31/05/2019	21000	Transfer	2850000	1.91
			Purchase				19/07/2019	33165	Transfer	2883165	1.94
			Purchase				26/07/2019	79852	Transfer	2963017	1.99
			Purchase				02/08/2019	265766	Transfer	3228783	2.17
			Purchase				09/08/2019	90369	Transfer	3319152	2.23
			Purchase				16/08/2019	64539	Transfer	3383691	2.27
			Purchase				23/08/2019	66993	Transfer	3450684	2.32
			Purchase				30/08/2019	199806	Transfer	3650490	2.45
			Purchase				06/09/2019	503710	Transfer	4154200	2.79
			Purchase				18/10/2019	38000	Transfer	4192200	2.82
			Purchase				06/12/2019	66000	Transfer	4258200	2.86
			Closing Balance				31/03/2020			4258200	2.86

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2018 AND 30/03/2019											
					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Slno	Folio/Dpid-Clientid	Category	Type	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
4	AAACN4165C	IFI	Opening Balance	THE NEW INDIA ASSURANCE COMPANY LIMITED	1720232	1.16	30/03/2019			1720232	1.16
			Closing Balance				31/03/2020			1720232	1.16
5	AAAAI0038F	MUT	Opening Balance	ICICI PRUDENTIAL INFRASTRUCTURE FUND	1473936	0.99	30/03/2019			1473936	0.99
			Sale				19/04/2019	-48318	Transfer	1425618	0.96
			Purchase				26/04/2019	11766	Transfer	1437384	0.97
			Sale				26/04/2019	-21010	Transfer	1416374	0.95
			Sale				03/05/2019	-5084	Transfer	1411290	0.95
			Purchase				10/05/2019	79059	Transfer	1490349	1.00
			Purchase				17/05/2019	170817	Transfer	1661166	1.12
			Purchase				24/05/2019	288143	Transfer	1949309	1.31
			Sale				31/05/2019	-55673	Transfer	1893636	1.27
			Purchase				07/06/2019	66837	Transfer	1960473	1.32
			Purchase				14/06/2019	200441	Transfer	2160914	1.45
			Purchase				21/06/2019	322084	Transfer	2482998	1.67
			Purchase				28/06/2019	84331	Transfer	2567329	1.72
			Purchase				05/07/2019	154501	Transfer	2721830	1.83
			Purchase				19/07/2019	194946	Transfer	2916776	1.96
			Purchase				26/07/2019	42037	Transfer	2958813	1.99
			Purchase				02/08/2019	290537	Transfer	3249350	2.18
			Purchase				09/08/2019	88566	Transfer	3337916	2.24
			Purchase				16/08/2019	47658	Transfer	3385574	2.27
			Purchase				23/08/2019	104386	Transfer	3489960	2.34
			Purchase				30/08/2019	9476	Transfer	3499436	2.35
			Purchase				27/09/2019	45	Transfer	3499481	2.35
			Purchase				30/09/2019	24	Transfer	3499505	2.35
			Purchase				04/10/2019	24	Transfer	3499529	2.35
			Purchase				11/10/2019	126993	Transfer	3626522	2.44

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2018 AND 30/03/2019											
					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Slno	Folio/Dpid-Clientid	Category	Type	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
			Purchase				18/10/2019	175544	Transfer	3802066	2.55
			Purchase				25/10/2019	265436	Transfer	4067502	2.73
			Purchase				01/11/2019	107525	Transfer	4175027	2.80
			Purchase				08/11/2019	21752	Transfer	4196779	2.82
			Purchase				22/11/2019	201754	Transfer	4398533	2.95
			Purchase				29/11/2019	83404	Transfer	4481937	3.01
			Purchase				06/12/2019	467428	Transfer	4949365	3.32
			Purchase				13/12/2019	134422	Transfer	5083787	3.41
			Purchase				20/12/2019	72124	Transfer	5155911	3.46
			Purchase				27/12/2019	28	Transfer	5155939	3.46
			Sale				31/12/2019	-129763	Transfer	5026176	3.38
			Purchase				03/01/2020	18379	Transfer	5044555	3.39
			Purchase				10/01/2020	24	Transfer	5044579	3.39
			Purchase				31/01/2020	24	Transfer	5044603	3.39
			Purchase				07/02/2020	76134	Transfer	5120737	3.44
			Purchase				14/02/2020	12	Transfer	5120749	3.44
			Purchase				06/03/2020	294900	Transfer	5415649	3.64
			Purchase				13/03/2020	225545	Transfer	5641194	3.79
			Purchase				20/03/2020	39	Transfer	5641233	3.79
			Purchase				27/03/2020	52	Transfer	5641285	3.79
			Purchase				31/03/2020	26	Transfer	5641311	3.79
			Closing Balance				31/03/2020			5641311	3.79
6	AACFL5630P	FPC	Opening Balance	LSV EMERGING MARKETS EQUITY FUND LP	1451200	0.97	30/03/2019			1451200	0.97
			Sale				30/08/2019	-324100	Transfer	1127100	0.76
			Sale				06/03/2020	-94779	Transfer	1032321	0.69
			Sale				13/03/2020	-7277	Transfer	1025044	0.69
			Sale				20/03/2020	-11907	Transfer	1013137	0.68
			Closing Balance				31/03/2020			1013137	0.68

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2018 AND 30/03/2019											
					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Slno	Folio/Dpid-Clientid	Category	Type	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
7	AAMCA6207G	FPC	Opening Balance	ACADIAN EMERGING MARKETS SMALL CAP EQUITY FUND LLC	973162	0.65	30/03/2019			973162	0.65
			Purchase				12/04/2019	8129	Transfer	981291	0.66
			Sale				17/05/2019	-76243	Transfer	905048	0.61
			Sale				14/06/2019	-48791	Transfer	856257	0.58
			Sale				28/06/2019	-79735	Transfer	776522	0.52
			Sale				19/07/2019	-11229	Transfer	765293	0.51
			Sale				09/08/2019	-15389	Transfer	749904	0.50
			Sale				23/08/2019	-10159	Transfer	739745	0.50
			Sale				06/09/2019	-2471	Transfer	737274	0.50
			Sale				27/09/2019	-26882	Transfer	710392	0.48
			Sale				25/10/2019	-37865	Transfer	672527	0.45
			Sale				08/11/2019	-13709	Transfer	658818	0.44
			Sale				29/11/2019	-15531	Transfer	643287	0.43
			Sale				13/12/2019	-42744	Transfer	600543	0.40
			Sale				10/01/2020	-15651	Transfer	584892	0.39
			Sale				07/02/2020	-92496	Transfer	492396	0.33
			Sale				28/02/2020	-44346	Transfer	448050	0.30
			Sale				13/03/2020	-55719	Transfer	392331	0.26
			Closing Balance				31/03/2020			392331	0.26
8	AACTA7181L	FPC	Opening Balance	AUSTRALIANSUPER	803500	0.54	30/03/2019			803500	0.54
			Sale				27/03/2020	-34047	Transfer	769453	0.52
			Closing Balance				31/03/2020			769453	0.52
9	AAACG0615N	IFI	Opening Balance	GENERAL INSURANCE CORPORATION OF INDIA	800000	0.54	30/03/2019			800000	0.54
			Closing Balance				31/03/2020			800000	0.54
10	AABTI5907R	MUT	Opening Balance	ITI MULTI CAP FUND	0	0.00	30/03/2019			0	0.00
			Purchase				07/02/2020	19500	Transfer	19500	0.01
			Purchase				14/02/2020	92000	Transfer	111500	0.07
			Purchase				21/02/2020	41000	Transfer	152500	0.10

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2018 AND 30/03/2019											
					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Slno	Folio/Dpid-Clientid	Category	Type	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
			Purchase				28/02/2020	113144	Transfer	265644	0.18
			Purchase				13/03/2020	150549	Transfer	416193	0.28
			Purchase				20/03/2020	172239	Transfer	588432	0.40
			Closing Balance				31/03/2020			588432	0.40
11	AAETS9556K	MUT	Opening Balance	IDFC TAX ADVANTAGE (ELSS) FUND	584500	0.39	30/03/2019			584500	0.39
			Purchase				05/04/2019	100500	Transfer	685000	0.46
			Purchase				12/04/2019	15000	Transfer	700000	0.47
			Purchase				05/07/2019	10000	Transfer	710000	0.48
			Purchase				12/07/2019	60000	Transfer	770000	0.52
			Purchase				19/07/2019	24249	Transfer	794249	0.53
			Purchase				26/07/2019	5751	Transfer	800000	0.54
			Purchase				09/08/2019	15000	Transfer	815000	0.55
			Purchase				06/09/2019	5000	Transfer	820000	0.55
			Purchase				13/09/2019	20000	Transfer	840000	0.56
			Purchase				20/09/2019	10000	Transfer	850000	0.57
			Purchase				27/09/2019	20000	Transfer	870000	0.58
			Purchase				04/10/2019	30000	Transfer	900000	0.60
			Purchase				11/10/2019	50000	Transfer	950000	0.64
			Purchase				08/11/2019	25000	Transfer	975000	0.65
			Purchase				13/12/2019	10000	Transfer	985000	0.66
			Purchase				20/12/2019	15000	Transfer	1000000	0.67
			Sale				06/03/2020	-99676	Transfer	900324	0.60
			Sale				13/03/2020	-100324	Transfer	800000	0.54
			Sale				27/03/2020	-31272	Transfer	768728	0.52
			Sale				31/03/2020	-88217	Transfer	680511	0.46
			Closing Balance				31/03/2020			680511	0.46

Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No.of Shares	% of total shares of the company
1	S. Krishnan	200	-	200	-
2	R. Srikanthan	100	-	100	-

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	"Total Indebtedness"
Indebtness at the beginning of the financial year				
i) Principal Amount	3512.74	3101.79		6614.53
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.04	49.40	-	53.44
Total (i+ii+iii)	**3516.78**	**3151.19**	**-**	**6667.97**
Change in Indebtedness during the financial year				
Additions	1363.39	59501.62	-	60865.01
Reduction	204.04	58659.95	-	58863.99
Net Change	1159.35	841.67	-	2001.02
Indebtedness at the end of the financial year				
i) Principal Amount	4672.09	3943.46		8615.55
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3.34	79.15	-	82.49
Total (i+ii+iii)	**4675.43**	**4022.61**	**-**	**8698.04**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. **Remuneration to Managing Director, Whole time director and/or Manager:** (₹ in Crore)

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager					
1	**Gross salary**	S N Pandey (MD)	G Arvindan (DO)	Rajeev Ailawadi (DF)	R Srikanthan (DT)	S. Krishnan (DO)	**Total Amount**
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	0.44	0.89	0.51	0.44	0.04	**2.32**
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.06	0.06	0.04	0.04	-	**0.20**
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-
2	Stock option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission as % of profit	-	-	-	-	-	-
	others (specify)	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	Total (A)	**0.50**	**0.95**	**0.55**	**0.48**	**0.04**	**2.52**
	Ceiling as per the Act	Not Applicable to Government company					

B. **Remuneration to other directors:** (₹ in Crore)

Sl.No	Particulars of Remuneration	Name of the Directors						Total
1	Independent Directors	D. Durai Ganesan	Amitabh Mathur	Myneni Narayana Rao	Sobha Surendran	Mrutunjay Sahoo	Dr. P.B. Lohiya	
	(a) Fee for attending Board/Committee Meetings	0.03	0.02	0.02	0.01	0.05	0.05	0.18
	(b) Commission	-	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-	-
	Total (1)	0.03	0.02	0.02	0.01	0.05	0.05	0.18
2	Other Non-Executive Directors							
	(a) Fee for attending Board/Committee Meetings	-	-	-	-	-	-	-
	(b) Commission	-	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B)=(1+2)	**0.03**	**0.02**	**0.02**	**0.01**	**0.05**	**0.05**	**0.18**
	Total Managerial Remuneration							**2.70**
	Overall Ceiling as per the Act							NA

C.	REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD		(₹ in Crore)
Sl. No.	**Particulars of Remuneration**	**Company Secretary**	**Total**
1	**Gross Salary**		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	0.41	**0.41**
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.02	**0.02**
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission as % of profit	-	-
	others, specify	-	-
5	Others, please specify	-	-
	Total	**0.43**	**0.43**

Independent Auditors' Report

To

The Members of Chennai Petroleum Corporation Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone financial statements of Chennai Petroleum Corporation Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, the statement of profit and loss (including Other Comprehensive Income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act,2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the relevant rules issued thereunder, of the state of affairs (financial position) of the Company as at March 31, 2020, the loss (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER 1	Valuation of Finished Goods and Intermediary Products
CRITERIA FOR DISCLOSURE AS KEY AUDIT MATTER	Complexities in Valuation
DESCRIPTION	**AUDIT APPROACH**
Stock of Finished Goods and intermediates form a significant portion of the inventory. Any material misstatement in valuation of inventories will have a significant impact on the profits and also vitiate the value of security given to creditors. As per Ind-AS 2, inventory is to be valued at lower of cost or net realisable value. Typically, for Joint Products, Ind-AS 2 lays down a method of aggregation of costs and allocation to the respective products on the sales values to arrive at the cost of finished products. However, the company follows an indirect method of arriving at the cost by reducing a uniform margin (Gross Refinery margin or GRM) from all its product selling prices to arrive at the cost of each product. GRM is the difference between the sale value of the products produced in a month and the cost of crude with its associated cost of conversion. Collating several pieces of data from diverse sources and arriving at GRM is a demanding and complex task. While the Realisable values have to adjusted for recoveries, assessment of cost involves collecting correct values of crude consumed, its related direct costs and other conversion costs, assessment of intermediates, quantity of finished products produced and its selling prices. Further adjustments of excise duty for select products have to be done. Similarly, the production of intermediates is based on technical evaluation of the goods lying incomplete at different stages of processing.	Audit risk assessment and sampling were designed to gain assurance on the "Completeness", "Accuracy & Valuation" of financial statement at the assertion level and compliance with Ind-AS 2. During the course of audit, considering the large volumes of data and complexity in the calculations involved, audit procedures were designed to ensure that • the figure collected for valuation were from the correct sources and accurate. • Sales price adjustments were in order • excise workings were correct • The GRM which was derived was accurate • The resultant calculation of cost based on GRM was correct • The final valuation was error free and correct The valuation as per direct method detailed in Ind – AS 2 was independently worked out by audit to ensure there was no variance between the method adopted by the company vis-à-vis Ind-AS 2. In respect of intermediate stocks, the technical evaluation was examined and explanations were sought on the methods used by the company in identifying the products in process. We have examined the product cycle and yield and cross checked with the products produced in the next accounting period. No material differences were found.

KEY AUDIT MATTER 1	Valuation of Finished Goods and Intermediary Products
Further, since the crude prices were volatile and falling, it had to be examined whether the stock was overvalued and if the Replacement cost method specified in Ind-AS 2 was adopted. That these processes are manually performed adds to the risk of error and material misstatement. Stock taking at the end of the year is usually done in the presence of auditors on selective basis. Due to the unprecedent situation prevailing at that time caused by pandemic stock taking was done entirely by the company without the presence of auditors.	Further, the valuation of crude was examined to ensure the valuation was in line with the method prescribed in Ind-AS 2. To mitigate the risk of material misstatement in stock taking and consequent valuation, the following procedures were adopted to ensure 1. Assessing the program of stock taking undertaken by the company for adequacy 2. Cross-checking physical verification report of the company and stock records for material variations 3. Testing high value items

KEY AUDIT MATTER 2	Accounting for Crude Oil Purchases & Valuation
CRITERIA FOR DISCLOSURE AS KEY AUDIT MATTER	Uncertainty in assessing the level of error and misstatement
DESCRIPTION	**AUDIT APPROACH**
Measurement of crude at the time of intake, issue or cut-off is not 100% accurate considering the nature of the material and changes in density and temperature which affects the volume each time a measurement is taken. Any error/aberration in measurement affects crude valuation, consumption and ocean loss. Lack of system driven accounting of consumption and reliance on manual controls add to the risk of material misstatement. These factors involve detailed audit coverage & professional judgment and were significant in the audit of the financial statements	The, audit risk assessment and sampling were designed to gain assurance on the "Completeness", "Cut-off" & "Accuracy" of financial statement at the assertion level. The company has fixed a maximum permissible level of difference in receipt of invoiced quantity. On our verification, the overall differences were within this level. The company has a system of cross-verification of consumption and the carrying cost of crude by manual methods. On our verification, the differences were not material and adjusted to consumption or the carrying cost of crude. Also, on our verification, no material errors were noticed in manual or system controls.

KEY AUDIT MATTER 3	Revenue Accounting
CRITERIA FOR DISCLOSURE AS KEY AUDIT MATTER	Impact on Profitability, taxes & profit availability for distribution
DESCRIPTION	**AUDIT APPROACH**
Revenue from sale of finished products is recognized once the control over the goods is transferred to the buyer. Control is transferred when the goods are dispatched from the factory. Revenue recognition is based on the consideration expected to be received for goods sold, excluding discounts, recoveries, and any taxes or duties collected. Revenue recognition varies with the mode of transport adopted for transferring control over the goods. Authentic measurement of goods dispatched, recovery of charges built into prices, dispatches from storage units outside the premises, discounts require strong process controls to ensure accuracy of revenue recognized. Reliable accounting of Revenue is of high importance as any misstatement will impact all other key performance indicators of the Company.	Our audit procedure included the following: - 1. Assessing whether the revenue recognition policies were appropriate 2. Testing the design and implementation of system driven controls 3. Testing of manual controls 4. Effectiveness of controls at cut off 5. Client confirmation and Reconciliation procedures followed to eliminate any differences.

KEY AUDIT MATTER 4	Payroll Processing & Retirement Benefits
CRITERIA FOR DISCLOSURE AS KEY AUDIT MATTER	Inherent risk in estimating retirement benefits & Complexities in payroll process
DESCRIPTION	**AUDIT APPROACH**
1. Payroll contains several components which derive the data from other software and manual entries. The amount and type of employee benefits vary with the grade of the employee. Some of these benefits are system driven while some critical data are manually recorded. Since the software processing the payroll and its associated software are not fully integrated, manual methods are used to collate and process data. Further, lack of direct interface between applications, manual sub-processes without dual control, diverse payroll items affecting different classes of employees pose risk of error or material misstatement in calculation of employee benefits. 2. Provision for salary increments to non-supervisory employees are based on the management's best estimate of the possible settlement which may be ultimately agreed. Actuarial valuation of post retirement benefits also get impacted by these estimates. 3. Accounting for post-retirement benefits require significant level of estimation and judgement on the part of the management. Major actuarial assumptions are given in Note no.32. Due to the inherent risks of inaccuracy posed by estimates, post-retirement benefits are significant in audit verification.	Payroll sub-processes were assessed for the level of audit risk and samples were selected & verified to ensure "Completeness", "Accuracy & Valuation" of financial statement at the assertion level and compliance with Ind-AS 19. Considering the nature of sub-processes involved, audit procedures were designed to ensure that • the estimates by the management were reliable and conservative • Actuarial reports considered all inputs required for valuation • Attendance & leave data were correctly captured • Overtime & allowances were properly approved and captured • Loan recoveries and statutory deductions were accurate • The final payroll and accounting were correct. • The guidelines of the Government and the basis of the management in estimating the provision for salary increment for non-supervisory employees were evaluated. Based on our verification, no material lapses or inaccuracies were observed.

KEY AUDIT MATTER 5	Evaluation of Adequacy of Provision For Impairment of Property, plant & Equipment under Ind AS 36
CRITERIA FOR DISCLOSURE AS KEY AUDIT MATTER	As it requires significant management judgments and assumptions in measuring the value in use of Property, Plant and Equipment.
PRESENT STATUS	**AUDIT APPROACH**
Evaluation of Adequacy of Provision For Impairment of Property, plant & Equipment under Ind AS 36 The carrying amount of Property, Plant & Equipment and Capital work in progress reported in Note No. 2 & 2.1 for the year ended 31-03-2020 is ₹ 7012.51 Cr (2019: ₹ 6954.28 Cr) and ₹ 1375.51 Cr (2019: ₹ 1121.49 Cr) respectively after providing cumulative impairment loss of ₹ 118.85 Cr (2019: ₹ 65.58 cr) and ₹ 2.33 Cr (2019: ₹ 1.18 cr) respectively In line with Ind AS 36: 'Impairment of Assets', the company is required to assess indicators of impairment, both external and internal, in relation to tangible assets at the end of the reporting period. Accordingly, the company identified the presence of the impairment indicators as at the reporting date and consequently carried out an impairment assessment. The computation of recoverable amount of tangible assets in accordance with the Standard, involves significant estimation of several factors. The impairment assessment is subject to significant management's judgements and estimation of projections in the following areas: i. The selection of an appropriate impairment model. The company has selected the Discounted cash flow model for the impairment assessment; ii. Estimation and assessments of the expected cash flows from the operations based on the projected estimated gross margin assumptions.	Our audit procedures performed included the following: 1. We have assessed the reasonableness of the key assumptions in respect the sales volume and the profitability in terms of Gross Refinery margins, basis of the number of years considered for the cash flows, discount factor, discount rate, computation of the terminal value and the models to determine whether they are reasonable given the current macroeconomic climate and expected future performance of the CGU. 2. We have verified the mathematical accuracy of the calculations. 3. We have subjected the key assumptions to sensitivity analyses; and 4. We have verified the appropriateness of the disclosure requirements in the audited financial statements and compliance with the accounting policy of the company.

KEY AUDIT MATTER 5	Evaluation of Adequacy of Provision For Impairment of Property, plant & Equipment under Ind AS 36
iii. Selection of the appropriate discount rate to arrive at the value in use. We have considered the adequacy of the provision For Impairment of Property, Plant & Equipment as a key audit matter as it requires significant management judgments and assumptions in measuring the value in use of Property, Plant and Equipment. (Please Refer Note No. 2, 2.1, and 43.1 and the significant accounting policy No. 4)	

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report including Annexures to Director's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are

appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   a) The current audit report corrects typographical errors contained in clause (vii) (b) of Annexure-A to our earlier Report dated 20th May 2020 on the standalone financial statements to comply with the observations of Comptroller and Auditor General of India. There are no changes in the financial statements and the audit report except for the correction stated above. Hence, we have not performed any further audit procedure on the standalone financial statements or on the other reporting requirements since our earlier report.

2. Based on the verification of records of the Company and based on information and explanations given to us, we give here below a report on the Directions issued by the Comptroller and Auditor General of India in terms of Section 143(5) of the Act:

   a) The company has an ERP system in place to process all the transactions through IT system. However consumption of crude, computation of per unit crude cost and valuation of work in progress and finished goods are done manually and accounting entries for the same are processed through ERP. This does not have any impact on the integrity of the account nor has any financial implications.

   b) There is no restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan.

   c) The company has properly accounted for and utilized the funds received for specific schemes from central/ state agencies as per its terms and conditions.

3. As required by section 143(3) of the Act, 2013, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of cash flow dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the financial statements;

   d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) Disqualification of directors stated under Section 164(2) of the Act is not applicable to a Government Company as per notification no. GSR 463(E) of the Ministry of Corporate Affairs dated 05/06/2015;

f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

g) Being a Government Company, the provisions of section 197 are not applicable to the Company as per the notification of MCA in G.S.R. 463(E) dated 5th June 2015 and therefore the reporting requirement under section 197(16) does not arise

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 33 to the financial statements).

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Padmanabhan Ramani & Ramanujam
Chartered Accountants
FRN: 002510S

P. Ranga Ramanujam
Partner
Membership No: 022201
UDIN: 20022201AAAABK2210

For Sreedhar Suresh & Rajagopalan LLP
Chartered Accountants
FRN: 003957S/S200145

V. Suresh
Partner
Membership No: 026525
UDIN: 20026525AAAAAJ4953

Place : Chennai
Date : 7 July, 2020

Annexure A to the Independent Auditors' Report

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirement' of our report of even date to the members of Chennai Petroleum Corporation Limited on the standalone financial statements of the Company for the year ended March 31, 2020.

(i) On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) These Fixed Assets have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were observed by the management on such verification.

(c) According to the information and explanation given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company except in case of certain freehold land given below:

Particulars	Number of cases	Gross Block / Net Block (Rs. in Crore)	Remarks
Freehold Land	2	Nil	Lands allotted by the Government of Tamilnadu for which price is not fixed and assignment deed is yet to be executed.
	1	0.18	Amount deposited with the Government Of Tamilnadu for which assignment deed is yet to be executed.

(ii) According to the information and explanations given to us, physical verification of inventory except goods in transit and goods held by outsider on behalf of the company has been conducted at reasonable intervals by the management and no material discrepancies were noticed.

(iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Consequently, the provisions of clause 3(iii) of the order are not applicable.

(iv) The Company has not granted any loans nor made any investments nor extended any guarantees nor provided any securities covered under provisions of section 185 or section 186 of the Act, except the loans granted to Key Management Personnel under service agreement, which are not prejudicial to the interest of the company.

(v) According to the information and explanations given to us, the Company has not accepted deposits from the public and hence the provisions of clause 3(v) of the order are not applicable.

(vi) Maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(vii) (a) According to the information and explanations given to us, and in our opinion, the Company has been regular in depositing with the appropriate authorities the undisputed statutory dues in the case of Provident Fund, Employees' State Insurance, Income-Tax, Goods & Services Tax, Customs Duty, Sales Tax and Value Added Tax, Cess and any other material statutory dues applicable to it. To the best of our knowledge and according to the information and explanations given to us, there are no arrears of outstanding statutory dues as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) The details of disputed dues of Income-Tax, Sales Tax, Excise Duty, GST, Customs Duty, and Value Added Tax which have not been deposited as on March 31, 2020 are given below:

Sl. No.	Name of the Statute	Nature of Dues	Forum Where Dispute is pending	Gross Amount (Rs. in Crore)	Amount Paid under Protest (Rs. in Crore)	Period to which the Amount relates (Financial Years)
1	Central Excise Act, 1944	Central Excise	CESTAT	0.47	-	2012-13 to 2014-15
			Assistant commissioner of Central Tax (GST) & Central Excise	0.99	-	January 2005 to June 2005

Sl. No.	Name of the Statute	Nature of Dues	Forum Where Dispute is pending	Gross Amount (Rs. in Crore)	Amount Paid under Protest (Rs. in Crore)	Period to which the Amount relates (Financial Years)
2	Sales Tax/VAT Legislations	Sales Tax / VAT	High court	187.87	2.76	2007-08 to 2009-10, 2012-13 to 2013-14, 2016-17 (January to March), 2017-18 (April to June)
			Sales tax Appellate Tribunal	251.45	118.10	2007 to 2016
			Joint Commissioner (Appeals)	5.34	2.67	2014-15, 2015-16
			Additional Commissioner	29.31	16.69	2014 (April to October), 2016 (April to September)
			Joint Commissioner (CT)	7.53	-	2016(October to December)
			Deputy Commissioner	2.17	-	1991-92, 2007-08 to 2008-09
3	Finance Act, 1994	Service Tax	Appellate Tribunal	21.68	0.51	2009-10 to 2016-17 (upto June 2017)

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any dues to financial institutions, banks, governments or debenture holders.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). The money raised on privately placed debentures and term loans have been used for the purpose for which they have been availed

(x) To the best of our knowledge and according to the information and explanations given to us by the Company, no material fraud by the company or any fraud on the company by its officers and employees has been noticed or reported during the year.

(xi) The provisions of section 197 read with schedule V of the Act, relating to managerial remuneration are not applicable to the company, being a Government Company, in terms of Ministry of Corporate Affairs Notification no.G.S.R.463 (E) dated 5th June, 2015.

(xii) The Company is not a Nidhi Company. Hence, provisions of clause 3(xii) of the Order, are not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with section 177 and section 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standard.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year under review. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.

(xv) The Company has not entered into any non-cash transactions with the Directors or any persons connected with him. Accordingly, provisions of clause 3(xv) of the Order are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934. Hence, provisions of clause 3(xvi) of the Order, are not applicable.

For Padmanabhan Ramani & Ramanujam
Chartered Accountants
FRN: 002510S

P. Ranga Ramanujam
Partner
Membership No: 022201
UDIN: 20022201AAAABK2210

For Sreedhar Suresh & Rajagopalan LLP
Chartered Accountants
FRN: 003957S/S200145

V. Suresh
Partner
Membership No: 026525
UDIN: 20026525AAAAAJ4953

Place : Chennai
Date : 7 July, 2020

Annexure B to the Independent Auditors' Report

(Referred to in paragraph 3(f) under Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Chennai Petroleum Corporation Limited on the standalone financial statements of the Company for the year ended March 31, 2020)

Report on the Internal Financial Controls over financial reporting under Clause (i) of Section 143(3) of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting with reference to financial statements of Chennai Petroleum Corporation Limited ("the Company") as of March31, 2020 in conjunction with our audit of the standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to these standalone financial statements of the Company

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Padmanabhan Ramani & Ramanujam
Chartered Accountants
FRN: 002510S

P. Ranga Ramanujam
Partner
Membership No: 022201
UDIN: 20022201AAAABK2210

For Sreedhar Suresh & Rajagopalan LLP
Chartered Accountants
FRN: 003957S/S200145

V. Suresh
Partner
Membership No: 026525
UDIN: 20026525AAAAAJ4953

Place : Chennai
Date : 7 July, 2020

Standalone Balance Sheet As at 31st March 2020

₹ in Crore

Particulars		Note	As at 31-Mar-20	As at 31-Mar-19
I	ASSETS			
(1)	Non-current assets			
	(a) Property, Plant and Equipment	2	7012.51	6954.28
	(b) Capital work-in-progress	2.1	1375.51	1121.49
	(c) Intangible assets	3	21.60	23.03
	(d) Intangible assets under development	3.1	222.29	77.99
	(e) Financial Assets			
	(i) Investments			
	- Equity Investment in Joint Ventures	4	11.83	11.83
	- Other Investments	4.1	0.11	0.11
	(ii) Loans	5	51.26	45.21
	(iii) Other Financial Assets	6	80.83	76.63
	(f) Deferred tax assets (Net)	7	933.52	-
	(g) Income tax assets (Net)	7	49.44	45.48
	(h) Other non-current assets	8	47.77	46.01
			9806.67	**8402.06**
(2)	Current assets			
	(a) Inventories	9	2360.87	4847.08
	(b) Financial Assets			
	(i) Trade receivables	10	123.90	327.33
	(ii) Cash and cash equivalents	11	0.05	0.17
	(iii) Other bank balances	12	3.68	9.60
	(iv) Loans	5	34.70	22.78
	(v) Other Financial Assets	6	52.90	20.70
	(c) Other current assets	8	286.16	325.57
			2862.26	**5553.23**
	TOTAL ASSETS		**12668.93**	**13955.29**
II	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share capital	13	148.91	148.91
	(b) Other Equity	14	1043.37	3160.60
	LIABILITIES			
(1)	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	2952.77	1443.51
	(ii) Other financial liabilities	16	6.84	-
	(b) Provisions	17	100.63	254.68
	(c) Deferred tax liabilities (Net)	7	-	120.74
	(d) Other non-current liabilities	18	13.64	1.36
			3073.88	**1820.29**
(2)	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	19	5732.68	4873.97
	(ii) Trade payables	20		
	-Total outstanding dues of micro and small enterprises		0.56	1.58
	-Total outstanding dues of creditors other than micro and small enterprises		1554.11	2439.52
	(iii) Other financial liabilities	16	657.94	1079.33
	(b) Other current liabilities	18	415.96	394.93
	(c) Provisions	17	41.52	36.16
			8402.77	**8825.49**
	TOTAL EQUITY AND LIABILTIES		**12668.93**	**13955.29**
	See accompanying notes to the financial statements	1-43		

for and on behalf of Board of Directors

(S N Pandey)
Managing Director
DIN - 08062182

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P. Shankar)
Company Secretary
ACS-7624

As per our attached Report of even date

For Padmanabhan Ramani & Ramanujam
Chartered Accountants
FRN: 002510S

P. Ranga Ramanujam
Partner
Membership No: 022201
UDIN: 20022201AAAABC1973

For Sreedhar Suresh & Rajagopalan LLP
Chartered Accountants
FRN: 003957S/S200145

V. Suresh
Partner
Membership No: 026525
UDIN: 20026525AAAAAD6731

Place : Chennai
Date : 20-May-2020

Standalone Statement of Profit and Loss

For the year ended 31st March 2020

₹ in Crore

	Particulars	Note No.	For the Year ended 31-Mar-20		For the Year ended 31-Mar-19	
I.	**Revenue from operations**	21		48650.22		52201.22
II.	**Other income**	22		78.82		58.73
III.	**Total Income (I + II)**			48729.04		52259.95
IV.	**Expenses:**					
	Cost of materials consumed	23		35793.34		38468.11
	Purchase of Stock-in-Trade			896.49		1139.51
	Changes in Inventories (Finished Goods and Work-In Progress)	24		990.41		(409.91)
	Excise Duty			11533.48		10862.83
	Employee benefits expense	25		511.63		460.52
	Finance costs	26		413.25		419.76
	Depreciation and Amortisation expense on:					
	a) Tangible Assets	2	466.59		450.92	
	b) Intangible Assets	3	1.59		1.61	
				468.18		452.53
	Impairment on PPE/CWIP/Intangible assets			54.42		0.93
	Other expenses	27		1083.87		1163.69
	Total Expenses (IV)			**51745.07**		**52557.97**
V	**Profit/(Loss) before Exceptional items and tax (III - IV)**			(3016.03)		(298.02)
VI	**Exceptional Items**			-		-
VII	**Profit/(Loss) before tax (V + VI)**			**(3016.03)**		**(298.02)**
VIII	**Tax expense:**	7				
	(1) Current tax [Includes 94.51 Crore (2019: Nil) relating to prior years]			94.51		-
	(2) Deferred tax [Includes Nil (2019: Nil) relating to prior years]			(1032.96)		(84.66)
IX	Profit/(loss) for the year from continuing operations (VII - VIII)			**(2077.58)**		**(213.36)**
X	Profit/(loss) from discontinued operations			-		-
XI	Tax expense of discontinued operations			-		-
XII	**Profit/(loss) from Discontinued operations(after tax) (X - XI)**			-		-
XIII	**Profit / (loss) for the year (IX + XII)**			(2077.58)		(213.36)
XIV	**Other Comprehensive Income**	28				
	A. (i) Items that will not be reclassified to profit or loss			(60.95)		(2.30)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	7		21.30		0.80
	B. (i) Items that will be reclassified to profit or loss			-		-
	(ii) Income Tax relating to items that will be reclassified to profit or loss			-		-
XV	**Total Comprehensive Income for the year (XIII + XIV) (Comprising Profit/ (Loss) and Other Comprehensive Income for the year)**			**(2117.23)**		**(214.86)**
XVI	**Earning per equity share:**					
	(1) Basic (₹)	30		(139.52)		(14.33)
	(2) Diluted (₹)	30		(139.52)		(14.33)
	See accompanying notes to the financial statements	1-43				

(S N Pandey)
Managing Director
DIN - 08062182

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P. Shankar)
Company Secretary
ACS-7624

As per our attached Report of even date

For Padmanabhan Ramani & Ramanujam
Chartered Accountants
FRN: 002510S

P. Ranga Ramanujam
Partner
Membership No: 022201
UDIN: 20022201AAAABC1973

For Sreedhar Suresh & Rajagopalan LLP
Chartered Accountants
FRN: 003957S/S200145

V. Suresh
Partner
Membership No: 026525
UDIN: 20026525AAAAAD6731

Place : Chennai
Date : 20-May-2020

Standalone Statement of Changes in Equity

For the year ended 31st March 2020

A. Equity Share Capital

₹ in Crore

	Equity shares of ₹ 10 each issued, subscribed and fully paid	Subscribed, called-up and paid-up share capital	Add: Forfeited shares (amount originally paid up)	Less: Cancelled shares (amount originally paid up)	Total paid-up equity share capital
At 31 March 2019	148911400	148.91	0.09	(0.09)	148.91
At 31 March 2020	**148911400**	**148.91**	**-**	**-**	**148.91**

B. Other Equity

(₹ in Crores)

	Reserve and Surplus						Total
	Securities Premium	Bond Redemption Reserve	Capital Redemption reserve	Capital reserve	Retained earnings	General reserve	
At 01 April 2018	250.04	250.00	600.00	-	(723.20)	3330.65	3707.49
Profit for the Year	-	-	-	-	(213.36)	-	(213.36)
Other comprehensive income (Remeasurement of gain or loss on defined benefit plan)	-	-	-	-	-	(1.50)	(1.50)
Total comprehensive income	-	-	-	-	(213.36)	(1.50)	(214.86)
Transfer to Retained Earnings	-	-	-	-	-	-	-
Transfer to Capital Redemption Reserve	-	-	-	-	-	-	-
Transfer from Equity Share Capital (Cancelled Shares)	-	-	-	0.09	-	-	0.09
Transfer to Bond Redemption Reserve	-	(250.00)	-	-	-	250.00	-
Dividend	-	-	-	-	(275.49)	-	(275.49)
Dividend distribution tax (DDT)	-	-	-	-	(56.63)	-	(56.63)
At 31 March 2019	**250.04**	**-**	**600.00**	**0.09**	**(1268.68)**	**3579.15**	**3160.60**

(₹ in Crores)

	Reserve and Surplus						Total
	Securities Premium	Bond Redemption Reserve	Capital Redemption reserve	Capital reserve	Retained earnings	General reserve	
At 01 April 2019	250.04	-	600.00	0.09	(1268.68)	3579.15	3160.60
Profit for the Year	-	-	-	-	(2077.58)	-	(2077.58)
Other comprehensive income (Remeasurement of gain or loss on defined benefit plan)	-	-	-	-	-	(39.65)	(39.65)
Total comprehensive income	-	-	-	-	(2077.58)	(39.65)	(2117.23)
Transfer to Retained Earnings	-	-	-	-	-	-	-
Transfer to Capital Redemption Reserve	-	-	-	-	-	-	-
Transfer from Equity Share Capital (Cancelled Shares)				-			-
Transfer from Bond Redemption Reserve	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-
Dividend distribution tax (DDT)	-	-	-	-	-	-	-
At 31 March 2020	**250.04**	**-**	**600.00**	**0.09**	**(3346.26)**	**3539.50**	**1043.37**

for and on behalf of Board of Directors

(S N Pandey)
Managing Director
DIN - 08062182

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P. Shankar)
Company Secretary
ACS-7624

As per our attached Report of even date

For Padmanabhan Ramani & Ramanujam
Chartered Accountants
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P. Ranga Ramanujam
Partner
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For Sreedhar Suresh & Rajagopalan LLP
Chartered Accountants
FRN: 003957S/S200145

V. Suresh
Partner
Membership No: 026525
UDIN: 20026525AAAAAD6731

Place : Chennai
Date : 20-May-2020

Standalone Statement of Cash Flows

For the year ended 31st March 2020

₹ in Crore

	Particulars	For the Year ended 31-Mar-20	For the Year ended 31-Mar-19
A	**Cash Flow from Operating Activities**		
1	**Profit Before Tax**	**(3016.03)**	**(298.02)**
2	**Adjustments for :**		
	Depreciation of property, plant and equipment	466.59	450.92
	Impairment of Property, Plant and Equipment / CWIP	54.42	0.93
	Unclaimed / Unspent liabilities written back	(3.34)	(5.24)
	Loss/(gain) on disposal of property, plant and equipments (net)	12.08	15.61
	Amortisation and impairment of intangible assets	1.59	1.61
	Amortisation of Government Grants	(0.47)	(4.96)
	Net Exchange Differences	32.50	6.54
	Provision for Capital work-in-progress written back	(2.38)	(9.18)
	Provision for Doubtful Debts, Advances and Claims	-	1.55
	Remeasurement of Defined Benefit Plans thru OCI	(60.95)	(2.30)
	Provision for Stores (net)	3.82	2.51
	Finance income	(18.01)	(29.20)
	Finance costs	413.25	419.76
	Dividend Income	(5.92)	(5.92)
3	**Operating Profit before Working Capital Changes (1+2)**	**(2122.85)**	**544.61**
4	**Change in Working Capital:**		
	(Excluding Cash & Cash equivalents)		
	Trade Receivables & Other receivables	152.98	(101.97)
	Inventories	2482.39	(100.83)
	Trade and Other Payables	(959.74)	(427.72)
	Provisions	(128.72)	(25.13)
	Change in Working Capital	**1546.91**	**(655.65)**
5	**Cash Generated From Operations (3+4)**	**(575.94)**	**(111.04)**
6	**Less : Taxes paid**	**(45.48)**	**(33.88)**
7	**Net Cash Flow from Operating Activities (5-6)**	**(621.42)**	**(144.92)**
B	**Cash Flow from Investing Activities:**		
	Proceeds from sale of Property, plant and equipment / Transfer of Assets	0.12	0.09
	Purchase of Property, plant and equipment	(987.07)	(1308.48)
	Interest received (Finance Income)	18.01	29.20
	Dividend Income	5.92	5.92
	Net Cash Generated/(Used) in Investing Activities:	**(963.02)**	**(1273.27)**
C	**Net Cash Flow From Financing Activities:**		
	Proceeds from Long-Term Borrowings	1464.65	909.16
	Repayments of Long-Term Borrowings (Including lease liability)	(350.49)	(1500.00)
	Proceeds from/(Repayments of) Short-Term Borrowings	858.71	2809.92
	Interest paid	(388.55)	(468.64)
	Dividends paid	-	(275.49)
	Dividend distribution tax paid	-	(56.63)
	Net Cash Generated/(Used) from Financing Activities:	**1584.32**	**1418.32**
D	**Net Change in Cash & cash equivalents (A+B+C)**	**(0.12)**	**0.13**
E - 1	Cash & cash equivalents as at end of the year	0.05	0.17
E - 2	Cash & cash equivalents as at beginning of the year	0.17	0.04
	NET CHANGE IN CASH & CASH EQUIVALENTS (E 1- E 2)	**(0.12)**	**0.13**

Notes:

1. Cash Flow Statement is prepared using Indirect method as per Indian Accounting Standard -7 Cash Flow Statement.
2. Figures for previous year have been regrouped wherever necessary for uniformity in presentation.

Reconciliation between opening and closing balances of financial liabilites with the net cash generated /(Used) from financing activities:

₹ in Crore

Financial Liabilities	**As at 31.03.2018**	**Cash Flow**	**Non-cash Changes**			**As at 31.03.2019**
			Lease Liability	**Interest Accrued but not due**	**Foreign exchange movement**	
Long Term Borrowings (Including Other Current Financial Liability)	2428.24	(693.17)	-	52.39	6.54	1741.61
Short Term Borrowings	2062.99	2809.92	-	1.06	-	4873.97

Financial Liabilities	**As at 31.03.2019**	**Cash Flow**	**Non-cash Changes**			**As at 31.03.2020**
			Lease Liability	**Interest Accrued but not due**	**Foreign exchange movement**	
Long Term Borrowings (Including Other Current Financial Liability)	1741.61	1100.19	13.97	24.70	32.50	2965.36
Short Term Borrowings	4873.97	858.71	-	-	-	5732.68

(S N Pandey)
Managing Director
DIN - 08062182

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P. Shankar)
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As per our attached Report of even date

For Padmanabhan Ramani & Ramanujam
Chartered Accountants
FRN: 002510S

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V. Suresh
Partner
Membership No: 026525
UDIN: 20026525AAAAAD6731

Place : Chennai
Date : 20-May-2020

Note-1A : Corporate Information and Significant Accounting Policies

I. Corporate Information

The standalone financial statements of "Chennai Petroleum Corporation Limited" ("the Company" or "CPCL") are for the year ended 31st March, 2020. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at 536, Anna Salai, Teynampet, Chennai - 600018. (CIN – L40101TN1965GOI005389)

CPCL is in the business of refining crude oil to produce & supply various petroleum products.

Information on related party relationships of the Company is provided in Note-34.

The standalone financial statements were approved for issue in accordance with a resolution of the Board of directors on 20th May, 2020.

II. Significant Accounting Policies

1. BASIS OF PREPARATION

1.1. The financial statements have been prepared in accordance with the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ("Act") read with the Companies (Indian Accounting Standards) Rules and other relevant provisions of the Act and Rules there under, as amended from time to time.

The standalone financial statements have been prepared on historical cost convention, accrual and going concern basis except where Ind AS requires a different accounting treatment like fair value / amortized cost / present value / Realizable value. These accounting policies have been applied consistently over all periods presented in these financial statements

1.2. The standalone financial statements are presented in Indian Rupees (INR) which is Company's presentation and functional currency and all values are rounded to the nearest Crore (up to two decimals) except when otherwise indicated.

2. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

2.1. Property, Plant and Equipment (PPE)

2.1.1. The Property, Plant & Equipment (PPE) comprises of Tangible assets and Capital Work in progress. PPE (except freehold lands which are stated at historical cost) are stated at cost, net of tax credit availed and after reducing accumulated depreciation and cumulative impairment losses, if any. The cost of PPE comprises of its purchase price, construction cost, other directly attributable costs and decommissioning costs as the case may be. These costs are capitalized until the asset is ready for use and includes borrowing cost capitalized in accordance with the Company's accounting policy.

2.1.2. The cost of an item of PPE is recognized as an asset if, and only if:

(i) it is probable that future economic benefits associated with the item will flow to the entity; and

(ii) the cost of the item can be measured reliably.

2.1.3. Technical know-how / license fee relating to plants / facilities and specific software that are integral part of the related hardware are capitalised as part of cost of the underlying asset.

2.1.4. Spare parts are capitalized when they meet the definition of PPE, i.e., when the Company intends to use these during more than a period of 12 months.

2.1.5. The acquisition of some items of PPE although not, directly increasing the future economic benefits of any particular existing item of PPE, may be necessary for the Company to obtain the future economic benefits from its other assets. Such items of PPE, are recognized as assets.

2.1.6. On transition to Ind AS, the Company has elected to continue with the carrying value of all of its PPE recognised as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the PPE.

2.2 Capital work in progress (CWIP)

A. Construction Period Expenses:

2.2.1 Revenue expenses exclusively attributable to projects incurred during construction period are capitalized. However, such expenses in respect of capital facilities being executed along with the production/operations simultaneously and where the expenses are not attributable exclusively are charged to revenue.

2.2.2. Financing cost incurred during construction period on loans specifically borrowed and utilized for projects is capitalized on quarterly basis upto the date of capitalization.

2.2.3. Financing cost, if any, incurred on General Borrowings used for projects is capitalized at the weighted average cost. The amount of such borrowings is determined on quarterly basis after setting off the amount of internal accruals.

B. Capital Stores

2.2.4. Capital stores are valued at cost. Specific provision is made for likely diminution in value, wherever required.

2.3. Intangible assets

2.3.1. Technical know-how / license fee relating to production process and process design are recognized as Intangible Assets and amortized on a straight line basis over the life of the underlying plant/ facility.

2.3.2. Expenditure incurred on Research & Development, other than on capital account, is charged to revenue.

2.3.3. Cost incurred on computer software/licenses purchased resulting in future economic benefits, other than specific software that are integral part of the related hardware, are capitalised as Intangible Asset and amortised over a period of three years beginning from the quarter in which such software/licenses are capitalised. However, where such computer software/license is under development or is not yet ready for use, accumulated cost incurred on such items are accounted as "Intangible Assets Under Development".

2.3.4. Right of ways with Indefinite useful lives are not amortised, but tested for impairment annually at the cash-generating unit level. The assessment of Indefinite life is reviewed annually to determine whether the Indefinite life continues to be supportable. If not, the change in useful life from Indefinite to finite is made on a prospective basis.

2.3.5. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

2.3.6. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life on straight line basis and assessed for impairment whenever there is an Indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.

2.3.7. On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

2.4. Depreciation / Amortisation

2.4.1. Cost of PPE (net of residual value) excluding freehold land is depreciated on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in case of the following assets:

a) Useful life of 25 years for solar power plant considered based on technical assessment

b) In case of specific agreements e.g. enabling assets etc., useful life as per agreement or Schedule II, whichever is earlier

c) In case of immovable assets constructed on leasehold land, useful life as per Schedule-II or lease period of land (including renewable period), whichever is lower

d) In other cases Spare parts etc., useful life is considered based on the technical assessment

Depreciation / Amortisation is charged pro-rata on quarterly basis on assets, from / upto the quarter of capitalization / sale, disposal / or earmarked for disposal. Residual value is generally considered between 0 to 5% of cost of assets. Further, in case of catalyst with noble metal content, residual value is considered based on the cost of metal content.

The Company depreciates components of the main asset that are significant in value and have different useful lives as compared to the main asset separately. The Company depreciates spares over the life of the spares from the date it is available for use.

2.4.2. PPE, costing up to ₹ 5,000/- per item are depreciated fully in the year of capitalization. Further, spares, components like catalyst excluding noble metal content and major overhaul/inspection are also depreciated fully over their respective useful life.

2.4.3. The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.5. Derecognition

2.5.1. PPE and Intangible Assets are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE or Intangible Asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

3. LEASES

3.1. The Company assesses at contract inception whether a contract is, or contains, A lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.1.1. Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, except for leases where the company has elected to use practical expedient not to separate non-lease payments from the calculation of the lease liability and ROU asset where the entire consideration is treated as lease component.

3.1.2. Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of use assets are subject to impairment. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset as per 2.4 above.

3.1.3. Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a re-measurement of the lease liability with a corresponding adjustment to the ROU asset. Any gain or loss on modification is recognized in the Statement of Profit & Loss. However, the modifications that increase the scope of the lease by adding the right to use one or more underlying assets at a price commensurate with the stand-alone selling price are accounted for as a separate new lease. In case of lease modifications, discounting rates used for measurement of lease liability and ROU assets is also suitably adjusted.

3.1.4. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of Property, Plant and Equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

3.2. Leases as lessor (assets given on lease)

3.2.1. When the company acts as lessor, it determines at the lease commencement whether lease is finance lease or operating lease.

3.2.2. Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern of the benefit derived from the asset given on lease.

3.2.3. All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Principal component of the lease receipts are adjusted against outstanding receivables and interest income is accounted by applying the interest rate implicit in the lease to the net investment. If an arrangement contains lease and non-lease components, the Company applies

Ind AS 115 Revenue to allocate the consideration in the contract.

3.2.4. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the short term lease exemption described above, then it classifies the sub-lease as an operating lease.

4. IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company assesses, at each reporting date, whether there is an Indication that an asset may be impaired. If any Indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an Individual asset, unless the asset does not generate cash inflows that are largely Independent of those from other assets or groups of assets.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the Individual assets are allocated. These budgets and forecast calculations generally cover a period of 15 years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifteenth year. To estimate cash flow projections beyond periods covered by the most recent budgets / forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

An assessment is made at each reporting date to determine whether there is an Indication that previously recognised impairment losses no longer exist or have decreased. If such Indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

5. BORROWING COSTS

Borrowing costs that are attributable to the acquisition or 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. Capitalisation of borrowing costs is suspended when active development activity on the qualifying assets is interrupted other than on temporary basis and charged to the statement of Profit and Loss during such extended periods. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which the same are incurred.

6. FOREIGN CURRENCY TRANSACTIONS

6.1. The Company's financial statements are presented in Indian Rupee (₹), which is also it's functional currency.

6.2. Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transactions.

6.3. Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.,) outstanding at the end of reporting period, are translated at exchange rates prevailing on that date.

6.4. Non-monetary items denominated in foreign currency, (such as PPE, intangible assets investments, capital/ revenue advances other than expected to be settled in cash etc.) are recorded at the exchange rate prevailing on the date of the transaction, other than those measured at fair value.

6.5. Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of profit and loss either under the head foreign exchange fluctuation or interest cost, as the case may be.

7. INVENTORIES

7.1. Raw Materials & Stock-in-Process

7.1.1. Raw materials including Crude oil are valued at cost determined on weighted average basis or net realizable value, whichever is lower.

7.1.2. Crude oil in Transit is valued at cost or net realizable value, whichever is lower.

7.1.3. Stock in Process is valued at raw materials cost plus fifty percent conversion costs as applicable or net realizable value, whichever is lower.

7.1.4. Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

7.2. Finished Products and Stock-in-Trade

7.2.1. Finished products and stock in trade are valued at cost determined on 'First in First Out' basis or net realizable value, whichever is lower. Cost of Finished Products produced is determined based on raw materials cost and processing cost.

7.2.2. Imported products in transit are valued at cost or net realisable value whichever is lower.

7.3. Stores and Spares

7.3.1. Stores and spares are valued at cost or net realisable value whichever is lower.

7.3.2. In case of declared surplus/obsolete stores and spares, provision is made for likely loss on sale/disposal and charged to revenue. Further, provision is made to the extent of 97 per cent of the value of non-moving inventory of stores and spares (excluding maintenance, repair & operation items, pumps and compressors) which have not moved for more than six years. Stores and spares in transit are valued at cost.

7.3.3. Spent catalysts (including noble metal content thereof) are valued at lower of the weighted average cost or net realizable value.

8 PROVISIONS, CONTINGENT LIABILITIES, CONTINGENT ASSETS AND CAPITAL COMMITMENTS

8.1. Provisions

8.1.1. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

8.1.2. When the Company expects some or all of a provision to be recovered from a third party, a receivable is recognised as a separate asset, but only when it is virtually certain and amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of reimbursement, if any.

8.1.3. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. Increase in carrying amount of provisions, where interest rate is specified, are accounted in finance cost to the extent of increase attributable to passage of time.

8.2. Contingent Liabilities and Contingent Assets

8.2.1. Show-cause Notices issued by various Government Authorities are generally not considered as obligation.

8.2.2. When the demand notices are raised against such show-cause notices and are disputed by the Company, these are classified as disputed obligations.

8.2.3. The treatment in respect of disputed obligations are as under:

a) a provision is recognized in respect of present obligations where the outflow of resources is probable as per 8.1.1 above;

b) all other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

8.2.4. Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts and reviewed at each balance sheet date to reflect the current management estimate.

8.2.5. Estimated amount of contracts remaining to be executed on capital account are considered for disclosure.

8.2.6. A contingent asset is disclosed where an inflow of economic benefits is probable.

9. REVENUE RECOGNITION

9.1. The Company is in the business of Refining crude oil to produce and supply various petroleum products and it earns revenue primarily from sale of petroleum products.

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Company has generally concluded that it is the principal in its revenue arrangements, except a few agency services, because it typically controls the goods or services before transferring them to the customer.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of products, the company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

9.2. Revenue from the sale of petroleum products, petrochemical products, crude and gas are recognised at a point in time, generally upon delivery of the products.

9.3. The Company has assumed that the recovery of excise duty flows to the Company on its own account and hence, revenue includes excise duty. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) / Goods & Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

9.4. Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

9.5. Interest income from financial assets is recognised using effective interest rate (EIR) method.

9.6. Dividend income is recognized when the Company's right to receive dividend is established.

9.7. Claims (including interest on outstanding claims) are recognized at cost when there is reasonable certainty regarding its ultimate collection. Insurance claims are recognised based on acceptance.

9.8. 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.

10. EXCISE DUTY

Excise duty is accounted on the basis of both, payments made in respect of goods cleared as also provision made for goods lying in stock. Value of stock includes excise duty payable / paid on finished goods wherever applicable.

11. TAXES ON INCOME

11.1. Current income tax

Provision for current tax is made as per the provisions of the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

11.2. Deferred tax

11.2.1. Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

11.2.2. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

11.2.3. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

11.2.4. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

12. EMPLOYEE BENEFITS

12.1. Short Term Benefits

Short Term Employee Benefits are accounted for 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 trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to the Statement of Profit and Loss/CWIP. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, is made good by the Company and charged to the Statement of Profit and Loss/CWIP.

b) The Company operates defined benefit plans for Gratuity and Post Retirement Medical Benefits. 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. Out of these plans, Gratuity is administered through a trust.

c) Obligations on other long term employee benefits viz. leave encashment and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year. Out of these obligations, leave encashment obligations are funded through qualifying insurance policies made with insurance companies / corporation.

d) The Company also operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate Trust.

12.3. Termination Benefits

Payments made under Voluntary Retirement Scheme are charged to the Statement of Profit and Loss on incurrence.

12.4. Remeasurements

Remeasurements, comprising of actuarial gains and losses, the effect of the changes in asset ceiling, (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which it occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Remeasurements in respect of other long term benefits are recognised in the statement of profit and loss.

Past service cost are recognised in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service cost comprising current service cost, past-service cost, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

13. GRANTS

13.1. Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

13.2. Grant Relating to assets (Capital Grants)

In case of grants relating to depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Deferred income which are recognized as "Other Operating Revenues" in the Statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

13.3. Grant Related to Income (Revenue Grants)

Revenue grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the entity recognises as expenses the related cost for which the grants are intended to compensate.

The Company has treated waiver of duty under EPCG scheme as revenue grant as the condition of meeting the export obligations is a primary condition of availing the grant as per the EPCG Scheme. The above grant is set up by recording the assets at gross value and corresponding grant amount as deferred income. Such grant is recognised in "Other Operating Revenues" in proportion of export obligations actually fulfilled during the accounting period.

Revenue grants are generally recorded under "Other Operating Revenues" except some grants, which are netted off with the related expense.

13.4. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate or NIL interest rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities. Classification of the grant is made considering the terms and condition of the grant i.e. whether grants relates to assets or otherwise.

14. CURRENT VERSUS NON-CURRENT CLASSIFICATION

14.1. The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

14.2. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

14.3. A liability is treated as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

15. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

15.1. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the financial asset. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial Assets at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at fair value through other comprehensive income (FVTOCI)
- Financial assets and derivatives at fair value through profit or loss (FVTPL)

15.1.1. Financial Assets at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

15.1.2. Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) the asset's contractual cash flows represent solely payments of principal and interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

15.1.3. Equity instrument

A. Equity investments at FVTOCI (Other than subsidiaries, JVs and associates)

All equity investments in scope of Ind AS 109 are measured at fair value. The Company has made an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The classification is made on initial recognition/transition and is irrevocable.

There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investments.

B. Equity investments in JVs and associates

Investment in joint ventures and associates are accounted for at cost in standalone financial statements and the same are tested for impairment in case of any indication of impairment.

C. Dividend income is recognized in the Statement of Profit and Loss when the Company's right to receive dividend is established.

15.1.4. Debt Instruments and derivatives at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Interest income on such instruments has been presented under interest income.

15.1.5. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

15.1.6. Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;

b. Financial guarantee contracts which are not measured as at FVTPL

c. Lease receivables under Ind AS 116

Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance, if any, on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

General Approach

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed. On that basis, the Company estimates provision on trade receivables at the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- **Financial assets measured as at amortised cost:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- **Debt instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

15.2. Financial liabilities

15.2.1. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of liabilities measured at amortised cost net of directly attributable transaction costs. In case of Financial Liabilities measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of financial liabilities are recognised immediately in the statement of profit and loss.

The Company's financial liabilities include trade and other payables and loans and borrowings including derivative financial instruments.

15.2.2. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

A. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through the statement of Profit and Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of Profit and Loss.

B. Financial liabilities at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Gains and losses are recognised in the statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

15.2.3. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

15.3. Embedded Derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

15.4. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

15.5. Derivative instrument Initial recognition / Subsequent measurement

15.5.1. The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The accounting for subsequent changes in fair value of derivatives depends on the designation or non- designation of derivative as hedging instruments. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

15.5.2. Derivative that are designated as hedge instrument

The Company designates certain foreign exchange forward contracts for hedging foreign currency risk of recognized foreign currency loans and liabilities. The company generally designates the whole forward contract as hedging instrument. These hedges are accounted for as cash flow hedges. These hedging instruments are as per the policies approved by the Board of Directors.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that the hedge is highly effective throughout the financial reporting periods for which it was designated.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in Other Comprehensive Income and accumulated under the heading Cash Flow hedge reserve within Equity. The gain or loss relating to the ineffective portion is recognized immediately in the statement of profit and loss and included in the Other Income or Other Expenses as Gain on Derivatives or Loss on Derivatives respectively.

Amounts previously recognized in OCI and accumulated in equity relating to effective portion are reclassified to Statement of Profit and Loss in the periods when the hedged item affects profit or loss, in the same line item as the recognized hedged item or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the statement of profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting.

15.5.3. Derivative that are not designated as hedge instrument

The company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through the Statement of Profit and Loss and are included in the Other Income or Other Expenses as Gain on Derivatives or Loss on Derivatives respectively.

15.6. Commodity contracts

Commodity contracts that, are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

16. FAIR VALUE MEASUREMENT

16.1. The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

16.2. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

16.3. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

16.4. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

16.5. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

16.6. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

In case of Level 3 valuations, External valuers are also involved in some cases for valuation of assets and liabilities, such as unquoted financial assets, loans to related parties etc.,

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

17. EARNINGS PER SHARE

The basic earnings per share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

19. CASH FLOW STATEMENT

Cash flow statement are reported using the Indirect method, whereby net profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

III. New Standards/ amendments and other changes effective April 1, 2019

Ind AS 116, Leases

The Company has adopted this Ind AS w.e.f April 1, 2019.

The effect of this standard along with relevant disclosures is provided in Note-33.

Amendments to Ind AS 12, Income taxes Appendix C - Uncertainty over Income Tax Treatment

The Company has adopted the amendments w.e.f April 1, 2019. The effect of this amendment is not material.

Amendment to Ind AS 19 –Employee Benefits relating to Plan amendment, curtailment or settlement

The Company has adopted the amendments w.e.f April 1, 2019. As there is no major change in employee benefit plans, the effect of this amendment is not material.

Amendment to Ind AS 23, Borrowing Costs

The Company has adopted the amendments w.e.f April 1, 2019. The effect of this amendment is not material.

IV. STANDARDS ISSUED BUT NOT YET EFFECTIVE

NIL

Note – 1B : SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. These include recognition and measurement of financial instruments, estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, estimated quantities of noble metals, measurement of employee benefits, actuarial assumptions, provisions etc.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

JUDGEMENTS

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans / Other Long term employee benefits

The cost of the defined benefit plans and other long term employee benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. The management considers the interest rates of government securities based on expected settlement period of various plans.

Further details about various employee benefit obligations are given in Note 32.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model based on level-2 and level-3 inputs. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as price estimates, volume estimates, rate estimates etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also refer Note-35 for further disclosures of estimates and assumptions.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less cost of disposal used to determine the recoverable amounts of the impaired assets are not based on observable market data, rather, management's best estimates.

The value in use calculation is based on a DCF model. The cash flows do not include impact of significant future investments that may enhance the asset's performance of the CGU being tested. The results of impairment test are sensitive to changes in key judgements, such as changes in commodity prices, future changes in alternate use of assets etc, which could result in increase or decrease of the recoverable amounts and result in additional impairment charges or recovery of impairment charged.

Refer Note 43.1 on impairment loss recognized during the year.

Note – 2 : PROPERTY, PLANT AND EQUIPMENT

Current Year:

₹ in Crore

	Particulars	**Land - Freehold**	**Land - Leasehold**	**Buildings, Roads etc.**	**Plant and Equipment**	**Office Equipments**	**Transport Equipments**	**Furniture and Fixtures**	**Railway Sidings**	**Drainage, Sewage and Water Supply System**	**ROU asset**	**Total**
		Note: A			Note: B				Note: C			Note: B
GROSS BLOCK	Gross Block as at 1st April 2019	44.95	5.92	182.80	8033.50	33.99	12.80	7.23	-	20.30	-	**8341.49**
	Additions during the Year (Note: E)	4.00	-	0.90	555.96	9.34	-	0.88	-	0.02	16.80	**587.90**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	(4.33)	(28.97)	(5.24)	(0.90)	(1.01)	-	(0.01)	-	**(40.46)**
	Gross Block as at 31st March 2020	**48.95**	**5.92**	**179.37**	**8560.49**	**38.09**	**11.90**	**7.10**	**-**	**20.31**	**16.80**	**8888.93**
DEPRECIATION, AMORTISATION AND IMPAIRMENT	Depreciation and Amortisation as at 1st April 2019	-	0.28	26.05	1266.66	18.76	2.66	2.96	-	4.26	-	**1321.63**
	Depreciation and Amortisation during the Year:	-	0.07	6.59	446.51	6.86	1.06	0.71	-	0.95	3.84	**466.59**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	(2.37)	(22.14)	(4.76)	(0.84)	(0.53)	-	(0.01)	-	**(30.65)**
	Total Depreciation and Amortisation upto 31st March 2020	**-**	**0.35**	**30.27**	**1691.03**	**20.86**	**2.88**	**3.14**	**-**	**5.20**	**3.84**	**1757.57**
	Total Impairment Loss as at 1st April 2019	-	-	14.77	50.62	-	-	-	-	0.19	-	**65.58**
	Impairment Loss during the Year (Note: D)	-	-	4.24	48.95	-	-	-	-	0.08	-	**53.27**
	Impairment loss reversed during the Year	-	-	-	-	-	-	-	-	-	-	**-**
	Total Impairment Loss upto 31st March 2020	**-**	**-**	**19.01**	**99.57**	**-**	**-**	**-**	**-**	**0.27**	**-**	**118.85**
NET BLOCK	**AS AT 31st March 2020**	**48.95**	**5.57**	**130.09**	**6769.89**	**17.23**	**9.02**	**3.96**	**-**	**14.84**	**12.96**	**7012.51**
	AS AT 31st March 2019	44.95	5.64	141.98	6716.22	15.23	10.14	4.27	-	15.85	-	6954.28

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Previous Year:

₹ in Crore

	Particulars	Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant and Equipment	Office Equipments	Transport Equipments	Furniture and Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	ROU asset	Total
GROSS BLOCK	Gross Block as at 1st April 2018	44.31	5.92	182.79	6528.73	22.21	10.81	13.64	-	20.30	-	**6828.71**
	Additions during the Year (Note: E)	0.64	-	0.01	1511.99	7.07	1.69	1.32	-	-	-	**1522.72**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-	(7.22)	4.71	0.30	(7.73)	-	-	-	**(9.94)**
	Gross Block as at 31st March 2019	**44.95**	**5.92**	**182.80**	**8033.50**	**33.99**	**12.80**	**7.23**	**-**	**20.30**	**-**	**8341.49**
DEPRECIATION, AMORTISATION AND IMPAIRMENT	Depreciation and Amortisation as at 1st April 2018	-	0.21	20.11	832.37	11.16	1.68	5.37	-	3.24	-	**874.14**
	Depreciation and Amortisation during the Year:	-	0.07	5.94	435.34	6.67	0.98	0.90	-	1.02	-	**450.92**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-	(1.05)	0.93	-	(3.31)	-	-	-	**(3.43)**
	Total Depreciation and Amortisation upto 31st March 2019	**-**	**0.28**	**26.05**	**1266.66**	**18.76**	**2.66**	**2.96**	**-**	**4.26**	**-**	**1321.63**
	Total Impairment Loss as at 1st April 2018	-	-	14.76	50.88	-	-	-	-	0.19	-	**65.83**
	Impairment Loss during the Year (Note: D)	-	-	0.01	(0.26)	-	-	-	-	-	-	**(0.25)**
	Impairment loss reversed during the Year	-	-	-	-	-	-	-	-	-	-	**-**
	Total Impairment Loss upto 31st March 2019	**-**	**-**	**14.77**	**50.62**	**-**	**-**	**-**	**-**	**0.19**	**-**	**65.58**
NET BLOCK	**AS AT 31st March 2019**	**44.95**	**5.64**	**141.98**	**6716.22**	**15.23**	**10.14**	**4.27**	**-**	**15.85**	**-**	**6954.28**
	AS AT 31st March 2018	44.31	5.71	147.92	5645.48	11.05	9.13	8.27	-	16.87	-	**5888.74**

A. Gross block of Land includes ₹ 0.18 Crore deposited towards 50.93 acres of Land for which assignment deed is yet to be received from Govt. of TamilNadu.

B. The cost of assets includes EPCG benefit (net of CENVAT), net of VAT CREDIT/CENVAT/GST ITC wherever applicable

C. Represents 5/24 share of total cost of the Railway Siding jointly owned by the Company along with Madras Fertilizers Limited, Madras Petrochem Limited, Steel Authority of India Limited and Rashtriya Ispat Nigam Limited.Net block of Railway Sidings - ₹ 0.003 Crore (2019 : ₹ 0.003 Crore)

D. Impairment loss pertains to Cauvery Basin Refinery (refer Note 43.1)

E. Additions to Gross Block Includes:

Asset Particulars	**Borrowing Cost**	
	As at 31-Mar-20	**As at 31-Mar-19**
Plant and Equipment	10.92	97.06
Total	**10.92**	**97.06**

Details of assets given on lease included in the above:

₹ in Crore

Asset Particulars	Gross Block as at 01.04.2019	Accumulated Depreciation & Amortisation	Accumulated Impairment loss	W.D.V as at March 31, 2020	W.D.V as at March 31, 2019
Land	5.29	-	-	**5.29**	5.29
Buildings	0.22	0.03	-	**0.19**	0.20
Plant and Equipment	12.17	2.26	-	**9.91**	10.41
Total	**17.68**	**2.29**	**0.00**	**15.39**	**15.90**

Note – 2.1 : CAPITAL WORK-IN-PROGRESS

₹ in Crore

Sl.No	Particulars	Note		As at 31-Mar-20	As at 31-Mar-19
1	**Construction Work in Progress - Property,Plant & Equipment**				
	(Including unallocated capital expenditure, materials at site)				
	Balance as at beginning of the year		1044.25		1414.47
	Add: Additions during the year		798.79		1141.77
	Less: Allocated/ Capitalised during the year		599.79		1511.99
			1243.25		1044.25
	Less: Provision for Capital Losses		1.51		3.90
	Less: Impairment Loss	A	2.33		1.18
				1239.41	1039.17
2	**Capital stores balance as at beginning of the year**		24.99		11.26
	Add: Additions during the year		83.00		107.61
	Less: Allocated during the year		97.69		93.88
			10.30		24.99
	Less: Provision for Capital Losses		3.01		3.01
	Capital stores			**7.29**	21.98
3	**Capital Goods in Transit**			8.08	-
4	**Construction Period Expenses pending allocation:**				
	Balance as at beginning of the year		60.34		
	Net expenditure during the year (Note -"2.2")		79.43		72.94
			139.77		72.94
	Less: Allocated during the year		19.04		12.60
				120.73	60.34
	TOTAL	**B**		**1375.51**	**1121.49**

Notes:

A Impairment loss pertains to Cauvery Basin Refinery (refer Note 43.1)

B The cost of assets includes EPCG benefit (net of CENVAT), net of VAT CREDIT/CENVAT/GST ITC wherever applicable

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Note – 2.2 : CONSTRUCTION PERIOD EXPENSES(NET) DURING THE YEAR

₹ in Crore

	Particulars	As at 31-Mar-20	As at 31-Mar-19
1	Employee Benefit expenses	27.33	27.84
2	Power & Fuel	1.39	2.32
3	Finance Cost	48.28	41.55
4	Travelling Expenses and Others	2.43	1.23
	Net Expenditure during the year	**79.43**	**72.94**
	Specific borrowings eligible for capitalisation (Rate in %)	3.15% to 8.4%	4.47% to 9.65%

Note – 3 : INTANGIBLE ASSETS

(1) Intangible assets with definite useful life

Current Year:

₹ in Crore

	Particulars	Computer Software	Technical Know-How, Royalty and Licenses	Total
GROSS BLOCK	Gross Block as at 1st April 2019	0.91	26.71	27.62
	Additions during the Year	0.17	-	0.17
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Gross Block as at 31st March 2020	**1.08**	**26.71**	**27.79**
AMORTISATION AND IMPAIRMENT	Amortisation as at 1st April 2019	0.81	3.77	4.58
	Amortisation during the Year	0.09	1.50	1.59
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Total and Amortisation upto 31st March 2020	**0.90**	**5.27**	**6.17**
	Total Impairment Loss as at 1st April 2019	0.01	-	0.01
	Impairment Loss during the Year (A)	0.01	-	0.01
	Impairment loss reversed during the Year	-	-	-
	Total Impairment Loss upto 31st March 2020	**0.02**	**-**	**0.02**
NET BLOCK	**AS AT 31st March 2020**	**0.16**	**21.44**	**21.60**
	AS AT 31st March 2019	0.09	22.94	23.03

Previous Year:

₹ in Crore

	Particulars	Computer Software	Technical Know-How, Royalty and Licenses	Total
GROSS BLOCK	Gross Block as at 1st April 2018	0.91	26.86	27.77
	Additions during the Year	-	(0.15)	(0.15)
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Gross Block as at 31st March 2019	**0.91**	**26.71**	**27.62**

₹ in Crore

	Particulars	Computer Software	Technical Know-How, Royalty and Licenses	Total
AMORTISATION AND IMPAIRMENT	Amortisation as at 1st April 2018	0.69	2.28	2.97
	Amortisation during the Year	0.12	1.49	1.61
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Total and Amortisation upto 31st March 2019	**0.81**	**3.77**	**4.58**
	Total Impairment Loss as at 1st April 2018	0.01	-	0.01
	Impairment Loss during the Year (A)	-	-	-
	Impairment loss reversed during the Year	-	-	-
	Total Impairment Loss upto 31st March 2019	**0.01**	**-**	**0.01**
NET BLOCK	**AS AT 31st March 2019**	**0.09**	**22.94**	**23.03**
	AS AT 31st March 2018	0.21	24.58	24.79

(2) Intangible assets with indefinite useful life

Current year:

₹ in Crore

	Particulars	Right of Way
GROSS BLOCK	Gross Block as at 1st April 2019	0.27
	Additions during the Year	-
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-
	Gross Block as at 31st March 2020	**0.27**
AMORTISATION AND IMPAIRMENT	Total Impairment Loss as at 1st April 2019	0.27
	Impairment Loss during the Year (A)	-
	Impairment loss reversed during the Year	-
	Total Impairment Loss upto 31st March 2020	**0.27**
NET BLOCK	**AS AT 31st March 2020**	**-**
	AS AT 31st March 2019	-

Previous year:

₹ in Crore

	Particulars	Right of Way
GROSS BLOCK	Gross Block as at 1st April 2018	0.27
	Additions during the Year	-
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-
	Gross Block as at 31st March 2019	**0.27**
AMORTISATION AND IMPAIRMENT	Total Impairment Loss as at 1st April 2018	0.27
	Impairment Loss during the Year (A)	-
	Impairment loss reversed during the Year	-
	Total Impairment Loss upto 31st March 2019	**0.27**
NET BLOCK	**AS AT 31st March 2019**	**-**
	AS AT 31st March 2018	-

Note:

A Impairment loss pertains to Cauvery Basin Refinery (refer Note 43.1)

Note – 3.1 : INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Crore

Particulars		As at 31-Mar-20	As at 31-Mar-19
Work in Progress - Intangible Asset:			
Balance as at beginning of the year	77.99		-
Add: Net expenditure during the year	144.30		77.99
		222.29	77.99
TOTAL		**222.29**	**77.99**

Note: Pertains to Property, Plant and Equipment under construction (Refer Note 43.2)

Note – 4 : EQUITY INVESTMENT IN JOINT VENTURES

₹ in Crore

Sl. No	Particulars	No. and Particulars	Face Value per share (₹)	Non-current As at 31-Mar-20	Non-current As at 31-Mar-19
I	**Investments in equity shares**				
1	**Unquoted:**				
a)	**Investment in Joint Venture Companies:**				
	i) Indian Additives Ltd.	1183401 Equity Shares fully paid	100	11.83	11.83
	ii) National Aromatics and Petrochemical Corporation Limited	25000 Equity Shares fully paid	10	0.03	0.03
	Less: Impairment in value of investment			0.03	0.03
				-	-
	TOTAL			**11.83**	**11.83**
	Aggregate value of unquoted investments			11.86	11.86
	Aggregate amount of provision for value of investments			0.03	0.03

Note – 4.1 : OTHER INVESTMENTS

Sl. No	Particulars	No. and Particulars	Face Value per share (₹)	Non-current As at 31-Mar-20	Non-current As at 31-Mar-19
I	**Other Investments:**				
	Investments at fair value through OCI (fully paid):				
a)	Biotech Consortium India Ltd	100000 Equity Shares fully paid	10	0.10	0.10
b)	MRL Industrial Cooperative Service Society Ltd	9000 Shares fully paid	10	0.01	0.01
	TOTAL		**A**	**0.11**	**0.11**
	Aggregate value of unquoted investments			0.11	0.11
	Aggregate amount of impairment in value of investments			-	-

Note:

A Fair Value approximates carrying value

Note – 5 : LOANS

₹ in Crore

Sl. No	Particulars	Note		Non-current			Current	
				As at 31-Mar-20	As at 31-Mar-19		As at 31-Mar-20	As at 31-Mar-19
1	**Security Deposits**							
	To Others							
	i) Unsecured, Considered Good			1.24	1.12		21.45	11.22
2	**Loans Receivables:**							
	To Related Parties							
	i) Considered Good -Secured	A.1	0.02		0.03	0.01		0.01
	ii) Considered Good -Unsecured	A.2	0.08		0.06	0.03		0.02
				0.10	**0.09**		**0.04**	**0.03**
	To Others							
	i) Considered Good -Secured		38.18		29.53	5.93		5.84
	ii) Considered Good -Unsecured		11.74		14.47	7.28		5.69
				49.92	**44.00**		**13.21**	**11.53**
	Sub Total			50.02	44.09		13.25	11.56
	TOTAL			**51.26**	**45.21**		**34.70**	**22.78**
Notes:								
A.1	**Includes:**							
1	Due from Directors			-	0.01		-	-
2	Due from Officers			0.02	0.02		0.01	0.01
A.2	**Includes:**							
1	Due from Directors			0.02	-		0.01	-
2	Due from Officers			0.06	0.06		0.02	0.02

In compliance of Regulation 34(3) of SEBI(LODR) Regulations 2015, the require information is given as under:

₹ in Crore

		Amount as on		Maximum Amount outstanding during the year ended	
		As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
I.	**Loans and Advances in the nature of loans:**				
A)	To Parent Company	-	-	-	-
B)	To Associates /Joint Venture	-	-	-	-
C)	To Firms/Companies in which directors are interested	-	-	-	-

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Note – 6 : OTHER FINANCIAL ASSETS

₹ in Crore

Sl. No	Particulars	Non-Current As at 31-Mar-20	Non-Current As at 31-Mar-19		Current As at 31-Mar-20	Current As at 31-Mar-19
1	**Deposit for Leave Encashment Fund**	80.83	76.63		-	-
2	**Interest Accrued on Investments/ Bank Deposits/ Loans**	-	-		-	0.05
3	**Claims Recoverable :**					
	a) From Related Parties					
	i) Unsecured, Considered Good	-	-	1.17		-
	ii) Unsecured, Considered Doubtful	-	-	22.66		22.61
		-	**-**	**23.83**		**22.61**
	b) Others					
	i) Unsecured, Considered Good	-	-	46.89		15.32
	ii) Unsecured, Considered Doubtful	-	-	7.02		7.03
		-	**-**	**53.91**		**22.35**
	Less : Provision for Doubtful Claims	**-**	**-**	29.68		29.64
	Sub Total	-	-		48.06	15.32
4	**Other Financial Assets**	-	-		4.84	5.33
	TOTAL	**80.83**	**76.63**		**52.90**	**20.70**

Note – 7 : INCOME TAX ASSETS/ LIABILITIES (NET)

₹ in Crore

Particulars	Non - Current As at 31-Mar-20		Non - Current As at 31-Mar-19	Current As at 31-Mar-20		Current As at 31-Mar-19
Tax Asset/ (Liability) - Net (Current)						
Advance payments for Current Tax	704.07		700.11	-	-	-
Less: Provision for Current Tax	654.63		654.63	-	-	-
Current Tax Asset/ (Liability) - Net		49.44	45.48			-
TOTAL		**49.44**	**45.48**			**-**

(I) Reconciliation between the average effective tax rate and the applicable tax rate is as below:

	As at 31-Mar-20	As at 31-Mar-19
Accounting profit		
Tax at the applicable tax rate of 34.94% (31.3.2019: 34.94%)	**34.94%**	**34.94%**
Tax effect of income that are not taxable in determining taxable profit:	0.03%	1.38%
Tax effect on share of results of joint venture:	-	0.96%
Tax effect of expenses that are not deductible in determining taxable profit:	(0.41%)	(7.91%)
Tax expense /income related to prior years :	(3.13%)	-
Tax effect on recognition of previously unrecognised allowances / disallowances :	(0.31%)	-
Tax expense	**31.12%**	**28.41%**

(II) In compliance of Ind AS 12 on "Income Taxes", the item wise details of deferred tax liability (net) are as under:

	As at 31-Mar-18	Provided during the Year 2018-19	Provided during the Year in OCI 2018-19	As at 31-Mar-19	Provided during the Year 2019-20	Provided during the Year in OCI 2019-20	As at 31-Mar-20
Deferred tax liability:							
Related to Property,Plant & Equipment (Depreciation)	889.02	154.49	-	1043.51	113.81	-	1157.32
Retirement benefits to employees	-	-	-	-	-	-	-
Total deferred tax liability (A)	**889.02**	**154.49**	**-**	**1043.51**	**113.81**	**-**	**1157.32**
Deferred tax assets:							
Carry forward Business Loss/ Unabsorbed Depreciation	-	291.56	-	291.56	1164.71	-	1456.26
Provision on Inventories, Trade Receivables, Loans and advances, CWIP , Investments etc.	25.22	1.41	-	26.63	(11.90)	-	14.73
43B Disallowances , Bonus , Gratuity etc.	57.61	(53.82)	0.80	4.59	(6.03)	21.30	19.86
MAT Credit Entitlement	599.99	-	-	599.99	-	-	599.99
Total deferred tax assets (B)	**682.82**	**239.15**	**0.80**	**922.77**	**1146.77**	**21.30**	**2090.84**
Deferred Tax Liability (Net) (A - B)	**206.20**	**(84.66)**	**(0.80)**	**120.74**	**(1032.96)**	**(21.30)**	**(933.52)**

The recognition of deferred tax assets / liability is based on the "Asset and liability method", determined on the basis of difference between the financial statement and tax bases of the assets and liabilities, by using the enacted tax rates. The deferred taxes are recognised to the extent, they are more likely than not to be realised, based on the best estimates as at the balance sheet date. In making such estimates, all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and pricing assumptions based on the past trend are considered. Such estimates are subject to significant fluctuations in earnings, timing of such earnings, need based future changes in tax strategies etc.

The losses for the current year include a significant quantum of write down of inventory due to the COVID-19 situation which is expected to be reversed on turnaround in the current situation. Considering, the earnings projections for the future, based on the average pricing trends of the past and expected reversals in inventory write down, it is expected that the deferred tax assets would be realised.

Note – 8 : OTHER ASSETS

₹ in Crore

Sl. No	Particulars	Note	Non-Current As at 31-Mar-20	Non-Current As at 31-Mar-19	Current As at 31-Mar-20	Current As at 31-Mar-19
1	**Advance for Capital Expenditure**					
	a) To Related Parties					
	i) Unsecured, Considered Good		-	0.79	-	-
	b) To Others					
	i) Unsecured, Considered Good		**5.17**	20.76	-	-
2	**Advances**					
	a) To Others					
	i) Unsecured, Considered Good		-	-	32.58	29.22

3	**Claims Recoverable :**					
	From Custom, Excise, Sales tax, Income Tax dept & Others					
	i) Unsecured, Considered Good		-	-	215.48	248.42
4	**GST-ITC recoverable**		-	-	25.39	32.24
5	**Balance with Customs, Port Trust and Excise Authorities:**					
	i) Unsecured, Considered Good		-	-	0.37	3.24
6	**Gold / Other Precious Metals**		-	-	9.53	10.06
	Less : Provision for Diminution		-	-	-	0.03
			-	-	9.53	10.03
7	**Deferred Expenses**		27.16	24.46	2.81	2.42
8	**Other Assets**	A	15.44	-	-	-
	TOTAL		**47.77**	**46.01**	**286.16**	**325.57**

Note:

A Pertains to land given on lease related to Indian Oil Corporation Ltd., the holding company

Note – 9 : INVENTORIES

₹ in Crore

Sl. No	Particulars		As at 31-Mar-20	As at 31-Mar-19
1	**In Hand :**			
	a. Stores, Spares etc.	303.77		268.79
	Less : Provision for Losses	39.29		35.47
			264.48	233.32
	b. Raw Materials		605.21	1370.33
	c. Finished Products		1061.74	1700.32
	d. Stock in Process		281.43	633.26
			2212.86	**3937.23**
2	**In Transit :**			
	a. Stores & Spares etc.		5.91	3.62
	b. Raw Materials		142.10	906.23
			148.01	909.85
	TOTAL		**2360.87**	**4847.08**
Amount of write down of inventories carried at NRV and recognised as expense			**1455.71**	**33.43**

Valuation of Inventories are done as per sl. no.7 of Significant accounting policies (Note-1)

Note – 10 : TRADE RECEIVABLES

₹ in Crore

Particulars	Note		As at 31-Mar-20	As at 31-Mar-19
a) From Related Parties				
i) Considered Good - Unsecured	(i)	66.16		67.05
b) From Others				
i) Considered Good - Secured	(ii)	1.43		99.65
ii) Considered Good -Unsecured		56.31		160.63
			123.90	327.33
TOTAL	**A**		**123.90**	**327.33**

Notes:

(i) Includes receivables from Indian Oil Corporation Ltd., the holding company ₹ 62.68 Crore (2019: ₹ 63.59 Crore) and receivables from Indian Additives Limited, Joint Venture Company ₹ 3.48 Crore (2019: ₹ 3.46 Crore).

(ii) Represents dues for which mortgage and first charge on Land is in favour of the company to the extent of ₹ 100 Crore (2019: ₹ 100 Crore)

A Offsetting Financial Assets and Financial Liabilties:

The following table presents the recognised financial instruments that are offset as at 31st March 2020 and 31st March 2019

	Effects of offsetting on the balance sheet		
Particulars	**Gross Amount**	**Gross Amounts set off in the balance sheet**	**Net Amounts presented in the balance sheet**
31-03-2020			
Financial Assets			
Trade receivables	535.71	411.81	123.90
Financial Liabilities			
Trade Payables	1966.48	411.81	1554.67
31-03-2019			
Financial Assets			
Trade receivables	1623.74	1296.41	327.33
Financial Liabilities			
Trade Payables	3737.51	1296.41	2441.10

Offsetting Arrangements

The Trade receivables and payables to the extent being settled on net basis with Indian Oil Corporation Limited have been offset.

Note – 11 : CASH AND CASH EQUIVALENTS

₹ in Crore

Sl. No	Particulars	As at 31-Mar-20	As at 31-Mar-19
1	**Bank Balances with Scheduled Banks :**		
	Current Account	0.05	0.17
	TOTAL	**0.05**	**0.17**

Note – 12 : OTHER BANK BALANCES

₹ in Crore

	Particulars	Note	As at 31-Mar-20	As at 31-Mar-19
1	Balances with bank held as other commitments		-	5.67
2	Earmarked Balances	A	3.68	3.93
	TOTAL		**3.68**	**9.60**

Notes:

A Pertains to Unpaid dividend (Refer note 16- Sl.No.6)

CPCL

Note – 13 : EQUITY SHARE CAPITAL

₹ in Crore

Particulars	Note	As at 31-Mar-20	As at 31-Mar-19
Authorized:			
Equity:			
40,00,00,000 (2019: 40,00,00,000) Equity Shares of ₹ 10 each		400.00	400.00
Preference:			
100,00,00,000 (2019:100,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each		1000.00	1000.00
		1400.00	**1400.00**
Issued :			
Equity:			
14,89,11,400 (2019: 14,89,11,400) Equity Shares of ₹ 10 each	(i)	148.91	148.91
Preference:			
50,00,00,000 (2019: 50,00,00,000;) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each	(ii)	500.00	500.00
		648.91	**648.91**
Subscribed, Called-up and fully Paid-up :			
14,89,11,400 (2019: 14,89,11,400) Equity shares of ₹10 each	(i)	148.91	148.91
Total Paid up Equity share Capital		148.91	148.91
TOTAL		**148.91**	**148.91**

Notes:

(i) (A) As per the Formation Agreement entered into between the promoters, an offer is to be made to the Naftiran Intertrade Company Limited (NICO), an affiliate of National Iranian Oil Company (NIOC) in any issue of the Capital in proportion to the shares held by them at the time of such issue to enable them to maintain their shareholding at the existing percentage.

(B) The Shareholders of the Company at the General meeting held on 24th August 2018 has accorded approval for

a) Cancellation of unsubscribed equity share capital of ₹ 20.87 Crore consisting of 2,08,68,900 equity shares of ₹ 10/- each, comprising of partial subscription to Rights Issue made by the company in 1984, by the Government of India and non-subscription by Amoco India Inc., to the Rights Issue made by the company in 1984;

b) Cancellation of 2,19,700 forfeited equity shares of ₹ 10/- each totaling ₹ 0.22 Crore (1,87,900 equity shares forfeited on 26.09.2003 and 31,800 equity shares forfeited on 26.10.2006)

(ii) Based on special resolution passed by the shareholders through postal ballot on 16.07.2015, the company has allotted 100 Crore Non Convertible Cumulative Redeemable Preference Shares of ₹ 10 each for cash at par amounting to ₹ 1000 Crore to Indian Oil Corporation Ltd, the holding company on private placement preferential allotment basis on 24.09.2015 after receipt of full subscription amount.

Preference shares to the extent of ₹ 500 crore, out of the total outstanding amount of ₹ 1000 crore were redeemed on 06.06.2018. Accordingly the outstanding amount as at 31.03.2020 is ₹ 500 crore.

Preference Shares classified as financial liability (long term borrowing) as per Ind AS 32 - Refer note - 15(E)

Note – 13 : EQUITY SHARE CAPITAL

A. Reconciliation of No. of Shares	As at 31-Mar-20		As at 31-Mar-19	
	Equity Shares	Preference Shares	Equity Shares	Preference Shares
Opening Balance	14,89,11,400	50,00,00,000	14,89,11,400	1,00,00,00,000
Shares Issued	-	-	-	-
Shares bought back / Redeemed	-	-	-	50,00,00,000
Closing Balance	**14,89,11,400**	**50,00,00,000**	**14,89,11,400**	**50,00,00,000**

B. Rights, preferences and restrictions attached to Equity 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.

C. Shares held by Holding Company

₹ in Crore

Particulars	As at 31-Mar-20	As at 31-Mar-19
7,72,65,200 Equity Shares of ₹10 each (51.89%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.	77.27	77.27

D. Details of shareholders holdings more than 5% shares

Equity Shares

Name of Shareholder	As at 31-Mar-20		As at 31-Mar-19	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
Indian Oil Corporation Limited	77265200	51.89	77265200	51.89
Naftiran Intertrade Company Limited	22932900	15.40	22932900	15.40
Aditya Birla Sunlife Trustee Private Limited	6796009	4.56	7544646	5.07

Note – 14 : OTHER EQUITY

₹ in Crore

Sl. No	Particulars	Note		As at 31-Mar-20	As at 31-Mar-19
1	**Retained Earnings**				
a)	**General Reserve :**				
	As per last Account		3579.15		3330.65
	Add: Remeasurement of Defined Benefit Plans		(39.65)		(1.50)
	Add : Transfer from Bond Redemption Reserve		-		250.00
			3539.50		3579.15
b)	**Surplus (Balance in Statement of Profit and Loss):**				
	Balance Brought Forward from Last Year's Account		(1268.68)		(723.20)
	Add: Profit / (Loss) for the Year		(2077.58)		(213.36)
	Less: APPROPRIATIONS:				
	Final Dividend		-		275.49
	Dividend Distribution Tax on Final Dividend		-		56.63
	Balance carried forward to next year's account		(3346.26)		(1268.68)
				193.24	2310.47
2	**Other Reserves**				
a)	**Bond Redemption Reserve Account :**	A			
	As per last Account		-		250.00
	Add: Transferred (to General Reserve)/ from Profit & Loss Account		-		(250.00)
				-	-
b)	**Capital Redemption Reserve :**	B			
	As per last Account			**600.00**	600.00
c)	**Securities Premium:**	C			
	As per last Account			**250.04**	250.04
d)	**Capital Reserve**				
	As per last account - Amount originally paid up for Forfeited Shares cancelled			**0.09**	0.09
	TOTAL			**1043.37**	**3160.60**

Notes:

Other Reserves

Reserves created in compliance with the Provision of the Companies Act, the utilisation of which is restricted to the purposes mandated therein:

A Bond Redemption Reserve Account : Utilised for redemption of bond and transferred to general reserve on actual redemption (During previous the year Non Convertible Debenture of ₹ 1000 Crore redeemed).

B Capital Redemption Reserve Account : To be utilised for redemption of Preference Shares (During the previous year Non Convertible Redeemable preference Share of ₹ 500 Crore redeemed).

C Securities Premium : Premium on shares issued by the company appropriated under this reserve.

Note – 15 : LONG-TERM BORROWINGS

(At Amortised Cost) ₹ in Crore

Sl. No	Particulars	Note		Non-current		Current Maturities	
				As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
I.	**SECURED LOANS**						
1	**Term Loans:**						
	From banks						-
	i) INR Loan	A	500.00		500.00	3.34	3.57
	ii) Foreign Currency Loans US $ 50 Million (2019: US $ 50 Million)	B	378.85		346.18	-	-
	Total (Loans from Banks)			**878.85**	**846.18**	**3.34**	**3.57**
	From other parties						
	i) Loans from OIDB	A		345.05	50.00	-	-
	Total (Term Loans)			**1223.90**	**896.18**	**3.34**	**3.57**
	Total Secured Loans			**1223.90**	**896.18**	**3.34**	**3.57**
II.	**UNSECURED LOANS**						
1	**Debentures**						
	11450 Nos. of 6.43% Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - I-2020 (2019: NIL)	C		**1145.00**	**-**	**6.64**	**-**
2	**Term Loans:**						
	i) From Banks/Financial Institutions:						
	In Foreign Currency	D		-	-	-	346.92
	NIL (2019: US $ 50 Million)						
	Total (Term Loans)			**1145.00**	**-**	**6.64**	**346.92**
3	**Loans from related parties:**	E					
	50,00,00,000 (2019:50,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each			572.51	547.33	-	-
4	**Lease obligations**	F		11.36	-	2.61	-
	Total Unsecured Loans			**1728.87**	**547.33**	**9.25**	**346.92**
	TOTAL LONG-TERM BORROWINGS			**2952.77**	**1443.51**	**12.59**	**350.49**

A. Secured Rupee Term Loans:

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Repayment	Security Details
1	Term Loan from State Bank of India - ₹ 500 Crore	07-01-2019	6 Months MCLR, reset at half yearly intervels	Principal repayable at the end of 5 years from date of availment. Interest payable monthly	Pari passu first charge by way of hypothecation of fixed assets along with the South Indian Bank Ltd (i.e., after excluding land and building of the entire Company & assets pertaining to BS VI project and RLNG projects) with a minimum Fixed Asset Coverage Ratio of 1.50 times.

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Repayment	Security Details
2	Term Loan from Oil Industry Development Board - ₹ 50 Crore	18-03-2019	7.22%	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to RLNG project
3	Term Loan from Oil Industry Development Board - ₹ 50 Crore	17-05-2019	7.46%	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to RLNG project
4	Term Loan from Oil Industry Development Board - ₹ 150 Crore	30-10-2019	6.52%	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to BS-VI project
5	Term Loan from Oil Industry Development Board - ₹ 100 Crore	31-03-2020	6.16%	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to BS-VI project

B. Secured Foreign Currency Term Loans:

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Repayment	Security Details
1	Foreign Currency Term Loan from South Indian Bank -USD 50 Mn	13-12-2018	1) 6 Months LIBOR + 125 Bps for first 6 months, 2) 6 Months LIBOR + 175 Bps for next 30 months 3) Reset at half yearly intervels 4) Interest payable on monthly basis	Principal repayable at the end of 3 years from date of availment. Interest payable monthly.	Pari passu first charge on entire fixed assets of the Company (excluding Land and building & assets pertaining to BS VI project and RLNG projects) with a minimum Fixed Asset Coverage Ratio of 1.50 times and second pari passu charge on movable assets of BS VI project and RLNG project.

C. Unsecured Loans:

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Redemption
1	Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series -I-2020	28-02-2020	6.43%	Principal repayable at the end of 3 years from date of availment. Interest payable Annually

D. Foreign Currency Loan

Sl. No.	Particulars	Date of Maturity	Repayable Amount	Interest Rate
1	Term Loan from State Bank of India	18.09.2019	US $ 50 Million	3 months LIBOR + 125 bps (Interest reset on quarterly basis) - Interest payable on Monthly basis

E. Non Convertible Cumulative Redeemable Preference Shares

Preference Share is treated as financial liability as per Ind AS 32, as these are redeemable on maturity for a fixed determinable amount and carry fixed rate of dividend.

(i) Rights, preferences and restrictions attached to Preference shares:

The Company has one class of preference shares i.e. Non-Convertible Cumulative Redeemable Preference Shares (NCCRP Shares) of ₹ 10 per share.

(ii) Non-convertible cumulative redeemable preference shares to the extent of ₹ 500 Crore, out of the total outstanding amount of ₹ 1000 crore was redeemed on 06.06.2018.

(iii) Preference Shares held by Holding Company

₹ in Crore

Particulars	As at 31-Mar-20	As at 31-Mar-19
50,00,00,000 (2019 : 50,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹10/- each (100%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.	500.00	500.00

(iv) Details of Preference shareholders holdings more than 5% shares

Name of Preference Shareholder	As at 31-Mar-20		As at 31-Mar-19	
	Number of Preference shares held	Percentage of Holding	Number of Preference shares held	Percentage of Holding
Indian Oil Corporation Limited	500000000	100	500000000	100

(v) Preference dividend has been provisionally accrued as finance cost. However, as per the Companies Act 2013, the preference shares is treated as part of share capital and the provisions of the Act relating to declaration of Preference Dividend would be applicable.

(vi) Refer Note -13 & 13A - Authorised and issued Preference Share capital and the reconciliation of no. of shares of preference shares

F. Lease Oblications

Lease obligations are against assets acquired under operating leases. The Carrying value of the assets is ₹ 12.96 crore (2019: NIL)

Note – 16 : OTHER FINANCIAL LIABILITIES

₹ in Crore

Sl. No	Particulars	Note	Non-current		Current	
			As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
1	Current maturities of Long term debt		-	-	12.59	350.49
2	Liability for Capital Expenditure	A	-	-	387.71	574.34
3	Liability to Trusts and Other Funds		-	-	64.11	5.32
4	Employee Liabilities for Expenses		-	-	141.24	97.38
5	Security Deposits	B	6.84	-	47.58	46.66
6	Liability for Unpaid Dividend	C	-	-	3.68	3.93
7	Other Financial Liabilities		-	-	1.03	1.21
	TOTAL		**6.84**	**-**	**657.94**	**1079.33**

Notes:

A Includes dues Payable to Indian Oil Corporation Limited ₹ 4.58 Crore (2019: ₹ Nil) and Indian Oiltanking Limited (formerly known as IOT Infrastructure & Energy Services Limited) ₹ 4.76 Crore (2019: ₹ 11.71 Crore)

B Non-Current Liability pertains to Indian Oil Corporation Ltd., the holding company.

C There are no amounts due for payment to the Investor Education and Protection Fund as at the year end.

Note – 17 : PROVISIONS

₹ in Crore

Sl. No	Particulars	Note	Non-current		Current	
			As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
1	Provision for Employee Benefits		100.63	254.68	17.13	25.11
2	Contingencies for probable obligations	-		- 24.39		86.14
	Less: Deposits	-		- -		75.09
	Contingencies for probable obligations	A	-	-	24.39	11.05
	TOTAL		**100.63**	**254.68**	**41.52**	**36.16**

Note:

A In compliance of Ind AS – 37 on "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under :

	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year	Closing Balance
Sales Tax	11.05		-	-	11.05
Income Tax	75.09	13.34		75.09	13.34
TOTAL	**86.14**	**13.34**	**-**	**75.09**	**24.39**
Previous Year	86.14		-	-	86.14

Note – 18 : OTHER LIABILITIES

₹ in Crore

Sl. No	Particulars	Note	Non-current		Current	
			As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
1	Deferred Income	A	8.02	-	0.30	-
2	Government Grants					
	Liability towards Government Grants (Refer Note - 40)		5.62	1.36	1.10	-
3	Statutory Liabilities		-	-	397.69	362.28
4	Advances from Customers		-	-	16.87	32.65
	TOTAL		**13.64**	**1.36**	**415.96**	**394.93**

Note:

A Pertains to Indian Oil Corporation Ltd., the holding company

Note – 19 : BORROWINGS - CURRENT

(At Amortised Cost)

₹ in Crore

Sl. No	Particulars	Note	As at 31-Mar-20	As at 31-Mar-19
I.	**SECURED LOANS**			
1	**Loans Repayable on Demand**			
	From Banks:			
	a) In Rupees			
	Cash Credit - SBI		0.44	833.02

2	**Other Loans**				
	From Banks:				
	i) Export Promotion Credit - SBI				135.09
	ii) Commercial Paper - SBI		1493.38		1648.89
	Sub-Total			1493.38	1783.98
	Total Secured Loans	A		**1493.82**	**2617.00**
II.	**UNSECURED LOANS**				
1	**Loans Repayable on Demand**				
	From Banks/Financial Institutions:				
	In Rupees				
	Working Capital Demand Loan		2720.88		2256.97
2	**Other Loans**				
	From Banks/Financial Institutions:				
	In Rupees				
	Commercial Paper			1517.98	-
	Total Unsecured Loans			**4238.86**	**2256.97**
	TOTAL BORROWINGS - CURRENT			**5732.68**	**4873.97**

Notes:

A Secured against hypothecation of Trade receivables & Inventories to the extent of ₹ 3184 Crore with State Bank of India. (2019: ₹ 4184 Crore)

As at 31 March 2020 the Company had available ₹ 669.43 Crore (2019: ₹ 1527.74 Crore) of undrawn Credit facilities.

Note – 20 : TRADE PAYABLES

₹ in Crore

Particulars	Note	As at 31-Mar-20	As at 31-Mar-19
Dues to Micro and Small Enterprises	A	0.56	1.58
Dues to Related Parties	B	1077.01	1677.16
Dues to Others		477.10	762.36
TOTAL	C	**1554.67**	**2441.10**

Notes:

A Details relating to micro, small and medium enterprises is as follows :

Particulars	As at 31-Mar-20	As at 31-Mar-19
(a) the principal amount	0.56	1.58
(b) the interest due thereon remaining unpaid	-	-
(c) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-

	Particulars	As at 31-Mar-20	As at 31-Mar-19
	(d) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
	(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
B	Represents dues to Indian Oil Corporation Ltd., the holding company		
C	Refer Note - 10(A)		

Note – 21 : REVENUE FROM OPERATIONS

₹ in Crore

Sl. No	Particulars	Note		For the year ended 31-Mar-20	For the year ended 31-Mar-19
1	Sale of Products and Crude (including Excise Duty)		48754.55		52233.64
	Less: Discounts		130.31		56.21
	Sales (Net of Discounts)	A	48624.24		52177.43
2	Other Operating Revenues (Note "21.1")		25.98		23.79
				48650.22	52201.22
	TOTAL	B		**48650.22**	**52201.22**

Note:

A Breakup of Gross revenue and Excise Duty on sales

Particulars	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Revenue (gross)	48624.24	52177.43
Less: Excise Duty	11380.55	10896.98
Net Revenue	**37243.69**	**41280.45**
Refer Note-42 Revenue from contracts with customers		

Note – 21.1 : OTHER OPERATING REVENUES

₹ in Crore

Sl. No	Particulars	For the year ended 31-Mar-20	For the year ended 31-Mar-19
1	Sale of Power	0.96	1.10
2	Unclaimed / Unspent liabilities written back	3.34	5.24
3	Provision for Doubtful Debts, Advances, Claims, and Stores written back.	2.38	-
4	Recoveries from Employees	1.07	1.39
5	Sale of Scrap	11.71	11.10
6	Amortisation of Government Grants related to OIDB loan	0.47	-
7	Revenue Grants	3.10	4.96
8	Terminalling Charges	2.95	-
	TOTAL	**25.98**	**23.79**

Note – 22 : OTHER INCOME

₹ in Crore

Sl. No	Particulars	Note		For the year ended 31-Mar-20	For the year ended 31-Mar-19
1	Interest on :				
	Financial Item:				
	a) Loans and Advances		6.47		5.40
	b) Short Term Deposits with Banks		0.87		8.83
	c) Customers Outstanding		6.45		9.42
	d) Others		4.22		5.55
				18.01	29.20
2	Dividend from Related Parties	A		5.92	5.92
3	Other Non Operating Income			54.89	23.61
	TOTAL			**78.82**	**58.73**

Note:

A Represents Dividends received from Indian Additives Limited (Non-Current Equity Investments in Joint Ventures)

Total interest income (calculated using the effective interest method) for financial assets that are not at fair value through profit or loss:

₹ in Crore

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
In relation to financial assets measured at amortised cost	**18.01**	29.20

Note – 23 : COST OF MATERIALS CONSUMED

₹ in Crore

Particulars	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Raw Material Consumed :		
Opening Balance	2276.56	2604.70
Add :		
Purchases	34264.09	38139.97
Sub Total	**36540.65**	**40744.67**
Less: Closing Stock	747.31	2276.56
TOTAL (Net)	**35793.34**	**38468.11**

Note – 24 : CHANGES IN INVENTORY

₹ in Crore

Particulars		For the year ended 31-Mar-20	For the year ended 31-Mar-19
Closing Stock			
a) Finished Products	1061.74		1700.32
b) Stock in Process	281.43		633.26
		1343.17	2333.58
Less:			
Opening Stock			
a) Finished Products	1700.32		1442.34
b) Stock in Process	633.26		481.33
		2333.58	1923.67
NET INCREASE/(DECREASE)		**(990.41)**	**409.91**

Note – 25 : EMPLOYEE BENEFIT EXPENSE

₹ in Crore

Particulars	Note	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Employee Benefit Expense:			
(a) Salaries, Wages, Bonus etc		403.43	361.10
(b) Contribution to Provident & Other Funds		73.04	60.68
(c) Staff Welfare Expenses		35.16	38.74
TOTAL	**A&B**	**511.63**	**460.52**

Notes:

A Disclosure in compliance with Ind AS - 19 on "Employee Benefits" is given in Note - 32

B Above excludes ₹ 27.33 Crore (2019: ₹ 27.84 Crore) included in capital work in progress (Note - 2.1)

Note – 26 : FINANCE COSTS

₹ in Crore

Sl. No	Particulars	Note		For the year ended 31-Mar-20	For the year ended 31-Mar-19
1	**Interest Payments on Financial items:**	(i)			
	I Working Capital Loans				
	Short term Borrowings		314.27		292.68
	Other Loans				
	Debentures/Long Term Loan	A	35.16		65.22
				349.43	357.90
	II Unwinding of Finance cost on Lease obligations			1.72	-
	III Interest expense for Preference Shares treated as financial liabilities	B		33.25	47.46
2	**Interest Payments on Non Financial items**			0.30	2.85
3	**Other Borrowing Cost**			1.76	1.59
4	**Exchange differences regarded as adjustment to borrowing cost**	A		26.79	9.96
	TOTAL			**413.25**	**419.76**
A	Net of interest capitalised as part of CWIP			**48.28**	41.55
B	Refer Note-15 E (v)				

(i) Total interest expense (calculated using the effective interest method) for financial liabilities that are not measured at fair value through profit or loss:

₹ in Crore

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
In relation to financial liabilities measured at amortised cost	**384.40**	405.36

Note – 27 : OTHER EXPENSES

₹ in Crore

Sl. No	Particulars		For the year ended 31-Mar-20	For the year ended 31-Mar-19
1	Consumption:			
	a) Stores, Spares and Consumables	89.61		91.46
	b) Packages & Drum Sheets	1.15		1.14
			90.76	92.60
2	Power & Fuel	2750.54		3941.77
	Less : Fuel from own production	2680.77		3860.94
			69.77	80.83
3	Irrecoverable taxes - Central Sales Tax		199.46	225.43
4	Repairs and Maintenance			
	i) Plant & Machinery	243.02		235.23
	ii) Buildings	2.48		3.34
	iii) Others	42.76		38.70
			288.26	277.27
5	Freight, Transportation Charges and Demurrage		28.15	56.86
6	Office Administration, Selling and Other Expenses (Note "27.1")		408.86	433.02
	TOTAL		**1085.26**	**1166.01**
	Less: Company's use of own Products		1.39	2.32
	TOTAL (Net)		**1083.87**	**1163.69**

Note – 27.1 : OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES

₹ in Crore

Sl. No	Particulars	Note	For the year ended 31-Mar-20	For the year ended 31-Mar-19
1	Rent		11.01	14.46
2	Insurance		18.88	15.82
3	Rates & Taxes		2.03	2.67
4	Payment to auditors :			
	a) For Statutory Audit	0.24		0.23
	b) For Limited Review	0.12		0.11
	c) For Taxation Matters	0.06		0.06
	d) Other Services(for issuing other certificates etc.)	0.03		0.03
			0.45	0.43
5	Travelling & Conveyance		23.80	25.79
6	Communication Expenses		2.15	2.23
7	Printing & Stationery		1.38	1.35
8	Electricity & Water		1.28	1.10
9	Bank Charges		1.61	1.22
10	Provision / Loss on Assets sold or written off (Net)		12.08	15.61
11	Technical Assistance Fees		9.02	7.89
12	Exchange Fluctuation (Net)		239.22	242.80

₹ in Crore

Sl. No	Particulars	Note	For the year ended 31-Mar-20	For the year ended 31-Mar-19
13	Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores		3.82	4.05
14	Security Force Expenses		35.97	33.82
15	Terminalling Charges		10.43	20.40
16	Expenses on CSR Activities	Refer Note: 39	16.72	18.89
17	Miscellaneous Expenses	A	19.01	24.49
	TOTAL		**408.86**	**433.02**

Note:

A Miscellaneous Expenses Includes:

i) Expenditure on Advertisement, Public Relations and Publicity amounting to ₹ 0.78 Crore (2019: ₹ 3.17 Crore). The ratio of annual expenditure on Advertisement,Public Relations and Publicity to the annual turnover (inclusive of excise duty) is 0.00002:1 (2019: 0.00006:1)

ii) Entertainment Expenses ₹ 0.39 Crore (2019: ₹ 0.24 Crore)

Note – 28 : OTHER COMPREHENSIVE INCOME

₹ in Crore

Sl. No	Particulars	For the year ended 31-Mar-20	For the year ended 31-Mar-19
A.	**Items that will not be reclassified to profit or loss:**		
1	Remeasurement of Defined Benefit Plans	**(60.95)**	(2.30)
B.	**Income Tax relating to items that will not be reclassified to profit or loss:**		
1	Remeasurement of Defined Benefit Plans	**21.30**	0.80
	TOTAL	**(39.65)**	**(1.50)**

Note – 29 : DISTRIBUTIONS MADE AND PROPOSED

₹ in Crore

Particulars	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Cash dividends on Equity shares declared and paid:		
Final dividend for FY 2018-19 declared and paid during the year ended 31 March 2020: ₹ NIL per share; (for FY 2017-2018 declared and paid during the year ended 31 March 2019 : ₹ 18.5 Per Share)	-	275.49
DDT on dividend paid	-	56.63
	-	**332.12**

Note: Refer Note-15 E (v) for Preference dividend

Note – 30 : EARNINGS PER SHARE (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	As at 31-Mar-20	As at 31-Mar-19
Profit / (Loss) attributable to equity holders (₹ in Crore)	(2077.58)	(213.36)
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	148911400	148911400
Earning Per Share (Basic and Diluted) (₹)	**(139.52)**	**(14.33)**
Face value per share (₹)	10.00	10.00

Note – 31 : DISCLOSURE OF INTEREST IN JOINT VENTURES AND ASSOCIATES

(₹ in Crore)

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying Amount	
					As at 31-Mar-20	As at 31-Mar-19
Indian Additives Limited	India	50%	Joint Venture	Equity Accounting	11.83	11.83
National Aromatics and Petrochemical Corporation Limited	India	50%	Joint Venture	Equity Accounting	Nil	Nil

Note – 32 : EMPLOYEE BENEFITS

Disclosures in compliance with Ind AS 19 on "Employee Benefits" is as under:

A. Defined Contribution Plans- General Description

Pension Scheme:

During the year, the company has recognised ₹ 22.95 Crore (2019: ₹ 22.53 Crore) towards Defined Contributory Employees Pension Scheme in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident & Other Funds in Note - 25/ Construction period expenses in Note-2.1)

During the year, the company has recognised ₹ 2.11 Crore (2019: ₹ 2.24 Crore) as contribution to EPS-95 in the Statment of Profit and Loss/ CWIP (included in Contribution to Provident and Other Funds in Note - 25/ Construction period expenses in Note-2.1)

B. Defined Benefit Plans- General Description

1 Provident Fund:

The Company's contribution to the Provident Fund is remitted to separate provident fund trust established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company. The Provident Funds maintained by the PF Trust in respect of which actuarial valuation is carried out does not have any deficit as on 31st March 2020 and disclosures have been provided accordingly.

2 Gratuity:

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the eligible salary for every completed year of service subject to a maximum of ₹ 0.20 Crore at the time of separation from the company. Besides, the ceiling of gratuity increases by 25% whenever IDA rises by 50%. The company has funded the liability through insurance company.

3 Post Retirement Medical Scheme (PRMS):

PRMS provides medical benefit to retired employees and eligible dependant family members. From the current year, the company has funded the liability through insurer managed funds.

4 Workman Compensation:

The company pays an equivalent amount of 100 months salary to the family member of employee, if employee dies due to accidental death while he is on duty. This scheme is not funded by the company. The liability originates out of the workman compensation Act and Factory Act.

C. Other Long-Term Employee Benefits - General Description

1 <u>Leave Encashment:</u>

(i) Each employee is entitled to get 8 days of earned leaves for each completed quarter of service. Encashment of earned leaves is allowed during service leaving a minimum balance of 15 days subject to maximum accumulation up to 300 days. In addition each employee is entitled to get 5 days of sick leaves at the end of every six months. The Company has been adopting a practice of permitting encashment of the entire accumulation of sick leaves only at the time of retirement.

(ii) DPE Guidelines in this regard states that sick leave cannot be encashed and is void ab initio vide its office memorandum dated 17-12-2012. The practice adopted by the Company of permitting encashment of sick leave is in contravention to the DPE guidelines issued . The company continues this practice keeping in view operational complications and service agreements. Our Holding company has represented to the concerned authorities to reconsider the matter. The net expenditure accounted towards encashment of sick leave for the year is ₹ 4.64 Crore (2019: ₹ 3.87 crore) .The accumulated provision for towards encashment of sick leave is ₹ 29.98 Crore (2019: ₹ 25.95 Crore).

2 <u>Long Service Award:</u>

On completion of specified period of service with the Company and also at the time of retirement, employees are rewarded with Prepaid Card as per eligibility, based on the duration of service completed based on the Board approved policy. This award based on length of meritorious and faithful service of employees (Long Service Award) was specifically allowed by DPE (formerly BPE) thru its letter dated 14.02.1983. MOP&NG has advised the Company that the Scheme is in contravention to the present DPE guidelines issued vide DPE OM No. 2(22)/97-DPE(WC) dated 20th November, 1997 which states that such long service awards cannot be given. The matter is being pursued with MOP&NG for resolution. Pending resolution of the matter, the company is of the view that the provision is in line with Board approved policy. The net expenditure accounted on this account is ₹ 0.72 Crore (2019: ₹ 1.84 Crore). The accumulated provision in this regard is ₹ 12.59 Crore (2019: ₹ 13.70 Crore). The Company continues this practice keeping in view operational complications and service agreements. Our Holding company has represented to the concerned authorities to reconsider the matter.

D. The summarised position of various defined benefits / Long Term Employee Benefits recognised in the Statement of Profit & Loss, Balance Sheet are as under:

(Figures presented in *Italic* Font in the table are for previous year)

(i) Reconciliation of balance of Defined Benefit / Long Term Employee Benefit Obligations

₹ in Crore

	Provident Fund	**Gratuity**	**PRMS**
	Funded	**Funded**	**Non-funded**
Defined Obligation at the beginning	**544.95**	**144.22**	**175.54**
	471.24	*141.47*	*164.31*
Current Service Cost	**22.72**	**1.60**	**3.82**
	20.89	*1.48*	*3.58*
Interest Cost	**46.51**	**11.09**	**13.66**
	41.74	*11.15*	*12.75*
Past Service Cost#	**-**	**1.15**	**-**
	-	-	-
Benefits paid	**(57.72)**	**(12.89)**	**(4.14)**
	(39.00)	*(13.28)*	*(3.98)*
Employee Contribution	**39.93**	**-**	**-**
	49.59	-	-

Transferred from other company	**(0.39)**	**-**	**-**
	0.49	*-*	*-*
Actuarial (gain)/ loss on obligations	**-**	**9.62**	**47.80**
	-	*3.40*	*(1.12)*
Defined Benefit Obligation at the end of the year	**596.00**	**154.79**	**236.68**
	544.95	*144.22*	*175.54*

#Refer Note-43.3

(ii) Reconciliation of balance of Fair Value of Plan Assets

(₹ in Crore)

	Provident Fund	Gratuity	PRMS
	Funded	**Funded**	**Funded**
Fair Value of Plan Assets at the beginning of the year	**556.86**	**138.65**	**-**
	481.81	*81.86*	*-*
Expected return on plan assets (Interest Income)	**46.51**	**10.66**	**-**
	41.74	*10.46*	*-*
Contribution by employer	**22.72**	**-**	**194.97**
	20.89	*59.59*	*-*
Contribution by employees	**39.93**	**-**	**0.04**
	49.59	*-*	*-*
Benefit paid	**(57.72)**	**(12.89)**	
	(39.00)	*(13.24)*	*-*
Transferred from other company	**(0.39)**	**-**	**-**
	0.49	*-*	*-*
Actuarial gain / (losses)(Return on Plan Assets excl interest income)	**(8.80)**	**(3.53)**	**-**
	1.34	*(0.02)*	*-*
Fair value of plan assets at the end of the year	**599.11**	**132.89**	**195.01**
	556.86	*138.65*	*-*

(iii) Reconciliation of Fair Value of Plan Assets and Defined Benefit Obligation

(₹ in Crore)

	Provident Fund	Gratuity	PRMS
	Funded	**Funded**	**Funded**
Fair Value of Plan Assets at the end of the year	**599.11**	**132.89**	**195.01**
	556.86	*138.65*	*-*
Defined Benefit Obligation at the end of the year	**596.00**	**154.79**	**236.68**
	544.95	*144.22*	*-*
Liability recognised in the Balance Sheet (As per para 64 of Ind AS-19)	**-**	**21.90**	**41.67**
	-	*5.57*	*-*
Amount not recognised in the Balance Sheet	**(3.11)**	**-**	**-**
	(11.91)	*-*	*-*

(iv) **Amount recognised in Statement of Profit and Loss / CWIP**

(₹ in Crore)

	Provident Fund Funded	Gratuity Funded	PRMS funded
Current Service Cost	**22.72**	**1.60**	**3.82**
	20.89	*1.48*	*3.58*
Interest Cost	**46.51**	**11.09**	**13.66**
	41.74	*11.15*	*12.75*
Expected (return) / loss on plan asset	**(46.51)**	**-**	**-**
	(41.74)	*-*	*-*
Contribution by Employees	**-**	**-**	**(0.04)**
	-	*-*	*-*
Past Service Cost	**-**	**1.15**	**-**
	-	*-*	*-*
Expenses for the year	**22.72**	**13.84**	**17.44**
	20.89	*12.63*	*16.33*

(v) **Amount recognised in Other Comprehensive Income (OCI)**

(₹ in Crore)

	Provident Fund Funded	Gratuity Funded	PRMS Funded
Actuarial (gain)/ loss on Obligations	**-**	**9.62**	**47.80**
	-	*3.40*	*(1.12)*
Remeasurement (Return on Plan Assets excl interest income)	**(8.80)**	**3.53**	**-**
	1.34	*0.02*	*-*
Net Loss / (Gain) recognized in OCI	**-**	**13.15**	**47.80**
	-	*3.42*	*(1.12)*
Net Loss / (Gain) not recognized in P&L / OCI	**8.80**	**-**	**-**
	(1.34)	*-*	*-*

(vi) **Major Actuarial Assumptions**

	Provident Fund Funded	Gratuity Funded	PRMS Funded
Discount rate	**6.83%**	**6.83%**	**6.81%**
	7.69%	*7.69%*	*7.78%*
Guaranteed return on plan assets	**8.50%**	**-**	**-**
	8.65%	*-*	*-*
Salary escalation	**-**	**8.00%**	**-**
	-	*8.00%*	*-*
Inflation	**-**	**-**	**7.00%**
		-	*7.00%*

The estimate of future salary increases considered in actuarial valuation takes into account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management and historical results of the return on plan assets.

(vii) Sensitivity on Actuarial Assumptions:

(₹ in Crore)

Loss / (Gain) for:	Gratuity Funded	PRMS Non-funded
Change in Discounting Rate		
Increase by 0.5%	**(4.20)**	**(24.79)**
	(3.77)	*(13.01)*
Decrease by 0.5%	**4.48**	**15.42**
	3.99	*14.76*
Change in Employee Turnover		
Increase by 0.5%	**1.05**	**(5.86)**
	1.15	*0.56*
Decrease by 0.5%	**(2.23)**	**(6.23)**
	(1.21)	*(0.60)*
Change in Salary Escalation/ Inflation rate		
Increase by 0.5%	**1.02**	**15.40**
	0.94	*14.90*
Decrease by 0.5%	**(1.05)**	**(24.95)**
	(0.96)	*(13.24)*

(viii) Investment details:

	Provident Fund Funded	Gratuity Funded	PRMS Funded
Investment with Insurer	**-**	**100.00%**	**100.00%**
	-	*100.00%*	-
Self managed investments	**100.00%**	**-**	**-**
	100.00%	-	-

Details of the investment pattern for the above mentioned funded obligations is as under:

	Provident Fund Funded	Gratuity Funded	PRMS Funded
Government securities (Central & State)	**41.86%**	**74.84%**	**84.94%**
	42.50%	*66.76%*	-
Investment in Equity / Mutual Funds	**6.02%**	**5.95%**	**4.33%**
	6.20%	*6.94%*	-
Investment in Debentures / Securities	**46.19%**	**17.85%**	**10.30%**
	46.03%	*22.17%*	-
Other approved investments (incl. Cash)	**5.92%**	**1.36%**	**0.43%**
	5.26%	*4.13%*	-

(ix) The following payments are expected projections to the defined benefit plan in future years:

(₹ in Crore)

Cash Flow Projection from the Fund/Employer	Gratuity Funded	PRMS Funded	Total
Within next 12 Months	**23.46**	**6.04**	**29.50**
	17.64	*4.63*	*22.27*
Between 2 to 5 Years	**69.11**	**32.68**	**101.79**
	71.05	*26.28*	*97.33*
Between 6 to 10 Years	**65.67**	**60.68**	**126.35**
	66.34	*51.30*	*117.64*

	Gratuity Funded	PRMS Funded
Weighted Average Duration of Defined Benefit Obligation	**7 Years**	**16 Years**
	7 Years	*16 Years*

Note – 33 : COMMITMENTS AND CONTINGENCIES

A Leases

Operating lease — as lessee

Transition and Practical Expedient

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 introduces a single,on-balance sheet lease accounting model for lessees.

Effective 1st April 2019, the Company has adopted Ind AS 116 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognized on the date of initial application (i.e. 1st April 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognized as an adjustment to the opening balance of retained earnings as on 1st April 2019. The lease liability is measured at the present value of remaining lease payments and right of use asset has been recognized at an amount equal to the lease liability.

The Company has exercised following practical expedient;

i) Company has not reassessed whether a contract is, or contains, a lease at the date of initial application i.e. the contracts classified as leases as on 31st March 2019 as per Ind-AS 17 is treated as leases under Ind-AS 116 and not applying this standard to contracts that were not previously identified as containing a lease applying Ind AS 17.

ii) For leases for which the lease term ends within 12 months of the date of initial application have been accounted as short term leases.

The effect of this standard on transition and for the year ended 31st March 2020 along with relevant disclosures are as follows:

Recognition

All leases taken as lessee, except leases for short-term and leases of low value assets, shall be recognized in the financial statements as an asset (Right-of-Use asset) and a corresponding Lease Liability (as borrowings) by discounting the lease payments over the lease term. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance cost in the Statement of Profit and Loss, unless the same are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

i) The Lease Liability shall be measured at the present value of all the lease payments due over the lease term.

ii) The Right-of-Use asset shall be measured at cost that comprises of initial value of lease liability, lease payments made on or before the commencement of lease, initial direct costs incurred and an initial estimated cost of dismantling & removing the leased asset and restoring the site on which the asset is located.

iii) Discount rate to be used shall be the rate implicit in the lease. If it is impracticable to determine the implicit rate, CPCL incremental borrowing rate for the quarter earlier to the quarter in which the lease is entered is used.

iv) In case of composite contracts, the lease and non-lease components needs to be segregated (unless impracticable) as per relative standalone prices and only lease component needs to be discounted. If segregation of contract is impracticable, the entire component will be treated as lease component and shall be discounted accordingly.

Subsequently, at each balance sheet date, the right-of-use asset shall be depreciated and lease liability shall be increased by interest amount & decreased by amount paid.

Operating lease — as lessee

Nature of Leasing Activities

The Company has entered into various material lease arrangements (including in substance lease arrangements) such as lands and buildings for purpose of its plants, facilities, offices, etc.,

The Employees Township at Cauvery Basin Refinery has been constructed on land area of thirty four acres and forty nine cents of land leased from a trust on five-year renewable basis.

Amount Recognized in Statement of Profit and Loss Account or Carrying Amount of Another Asset (₹ in Crore)

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Depreciation recognized	3.84	-
Interest on lease liabilities	1.34	-
Expenses relating to short-term leases (leases more than 30 days but less than 12 months)	1.00	-
Variable lease payments not included in the measurement of lease liabilities	1.87	-
Total cash outflow for leases	7.03	-
Additions to ROU during the year	16.80	-
Net Carrying Amount of ROU at the end the year	12.96	-

The details of ROU Asset other than leasehold land included in PPE (Note 2) held as lessee by class of underlying asset is presented below :-

(₹ in Crore)

Asset Class	Items Added to RoU Asset as on 01.04.2019	Additions to RoU Asset during the Year	Depreciation Recognized During the Year	Net Carrying value as on 31.03.2020
Leasehold Land	11.46	-	1.52	9.94
Buildings Roads etc.	0.37	-	0.02	0.35
Transport Equipments	4.97	-	2.30	2.67
Total	**16.80**	**-**	**3.84**	**12.96**

As per requirement of the standard, maturity analysis of Lease Liabilities have been shown as part of borrowings under Liquidity Risk of Note 36: Financial Instruments & Risk Factors.

Application of this standard has resulted a net decrease in Profit before Tax for the period April - Mar 2020 by ₹ 1.02 crore (increase in Depreciation & Amortization expenses and Finance Cost by ₹ 3.84 crore and ₹ 1.34 crore respectively and decrease in Other Expenses by ₹ 4.16 crore).

Details of items of future cash outflows which the Company is exposed as lessee but are not reflected in the measurement of lease liabilities are as under;

(i) Variable Lease Payments

As per general industry practice, the Company incurs various variable lease payments which are based on rate, kms covered etc. and are recognized in profit or loss and not included in the measurement of lease liability.

Operating lease — as lesssor

The lease rentals recognized as income in these statements as per the rentals stated in the respective agreements:

(₹ in Crore)

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
A. Lease rentals recognized during the period	30.29	-
B. Value of assets given on lease included in tangible assets		
- Gross Carrying Amount	17.68	-
- Accumulated Depreciation	2.29	-
- Depreciation recognized in the Statement of Profit and Loss	0.51	-

These relate to storage tankage facilities for petroleum products, buildings, plant and equipments given on lease. Asset class wise details have been presented under Note 2: Property, Plant & Equipments.

Maturity Analysis of Undiscounted Lease Payments to be received after the reporting date

(₹ in Crore)

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Less than one year	13.84	-
One to two years	13.63	-
Two to three year	14.34	-
Three to four years	15.08	-
Four to five years	15.85	-
More than five years	746.42	-
Total	**819.16**	**-**

B Contingent Liabilities

Contingent Liabilities amounting to ₹581.57 Crore (2019: ₹671.82 Crore) are as under:

(i) ₹ 23.13 Crore (2019: ₹ 21.44 Crore) being the demands raised by the Central Excise / Customs / Service Tax Authorities including interest of ₹ 9.30 Crore (2019: ₹ 8.29 Crore).

(ii) ₹ 527.71 Crore (2019: ₹ 527.71 Crore) being the demands raised by the VAT/ Sales Tax Authorities and includes no interest (2019: Nil).

(iii) ₹ Nil (2019: ₹ 92.39 Crore) in respect of Income Tax demands (including Interest of 2019: ₹ 46.57 Crore).

(iv) ₹ 23.56 Crore (2019: ₹ 23.53 Crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹ 7.60 Crore (2019: ₹ 7.89 Crore).

(v) ₹ 7.16 Crore (2019: ₹ 6.75 Crore) in respect of other claims including interest of ₹ 1.19 Crore (2019: ₹ 0.93 Crore).

The Company has not considered those disputed demands / claims as contingent liabilities, for which, the outflow of resources has been considered as remote.

C Commitments

(i) Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account not provided for ₹ 752.73 Crore (2019: ₹ 833.15 Crore).

(ii) Other Commitments

The Company has an export obligation to the extent of ₹ 33.30 Crore (2019: ₹ 31.74 Crore) on account of concessional rate of customs duty availed under EPCG license scheme on procurement of capital goods and the same is expected to be fulfilled by way of exports.

Note - 34 : "Related Party Disclosures" in compliance with Ind-AS 24, are given below:

1. Relationship with Entities

A. Details of Holding Company

1) Indian Oil Corporation Limited (IOCL)

The following transactions were carried out with Holding Company in the ordinary course of business:

(₹ in Crore)

Particulars	For the year ended 31-Mar-2020	For the year ended 31-Mar-2019
• Sale of Product and Services	45180.87	46947.92
• Dividend on Preference Shares	33.25	66.50
• Dividend paid on Equity Shares	-	142.94
• Sale of Scrap / Catalyst	0.11	1.03
• EDP Maintenance	3.20	3.01
• Other Operating Income	2.95	-
• Other Non operating Income	32.63	3.51
• Purchase of Raw Material	105.81	981.62
• Purchase of Stock-in-Trade	268.10	207.78
• Purchase of Stores & Spares	11.64	5.47
• Canalising commission	2.50	2.50
• Terminalling Charges	6.75	8.74
• Rental Expenditure	1.73	2.07
• Training Expenses	0.24	-
• Other Miscellaneous Expenditure	0.16	-
• Purchase of RLNG	682.45	6.88
• Finance Cost - Unwinding of finance cost	0.37	-
• Creation of capital facilities by IOCL	-	8.11
• Capital Advances / (Liabilities)	(4.58)	0.79
• Outstanding Receivables	63.85	63.59
• Other Liabilities - Land given on lease	15.15	-
• Other Non - current Assets - Land given on lease	15.44	-
• Outstanding payables		
Trade Payables	1077.01	1677.14
Preference Shares (at face value)	500.00	500.00

B. Details of Joint Ventures

i) Indian Additives Limited

(₹ in Crore)

Particulars	For the year ended 31-Mar-2020	For the year ended 31-Mar-2019
• Investment	11.83	11.83
• Sale of Product	33.67	51.52
• Rental income	0.60	0.58
• Dividend received	5.92	5.92
• Sale of Water	0.01	-
• Outstanding Receivables	3.48	3.46

ii) National Aromatics & Petrochemicals Corp. Limited

(₹ in Crore)

Particulars	For the year ended 31-Mar-2020	For the year ended 31-Mar-2019
• Investments in Joint Venture Entities/ Associates*	0.03	0.03

* The Investment has been fully impaired (Note - 4)

C. Entities Over which KMP has significant influence

i) CPCL Educational Trust

(₹ in Crore)

Particulars	For the year ended 31-Mar-2020	For the year ended 31-Mar-2019
• CSR Expenses	0.50	0.70
• Miscellaneous Expenses	0.01	-

D. Associates of Holding Company

i) i) Indian Oiltanking Limited (formerly known as IOT Infrastructure & Energy Services Limited)

(₹ in Crore)

Particulars	31-Mar-2020	31-Mar-2019
• Terminalling/Bottling Charges	-	1.58
• Capital Projects	-	8.10
• Outstanding payable	4.76	11.71

E. Government related entities where significant transactions are carried out:

Apart from transactions reported above, the company has transactions with other Government related entities, which includes but not limited to the following:

Name of Government: Government of India (Central and State Government)

Nature of Transactions:

- Sale of Product and Services
- Purchase of Product
- Purchase of Raw Materials
- Handling and Freight Charges, etc.
- Borrowings

These transactions are conducted in the ordinary course of the Company's business on terms comparable to those with other entities that are not Government-related

2) Key Managerial Personnel

A. Whole Time Directors / Company Secretary	B. Independent / Part time Non-Executive Directors (Government / IOCL/ NICO Nominee)
1) Shri S.N. Pandey	1) Shri Sanjiv Singh (Non - Executive Chairman)
2) Shri Rajeev Ailawadi (w.e.f. 08.05.2018)	2) Smt. Perin Devi
3) Shri R.Srikanthan (w.e.f. 13.08.2018)	3) Shri Mohammad Bagher Dakhili
4) Shri S.Krishnan (w.e.f. 01.03.2020)	4) Shri Babak Bagherpour (w.e.f. 27.03.2019)
5) Shri G.Aravindan (Upto 28.02.2020)	5) Shri D. Durai Ganesan (w.e.f. 14.8.2018)
6) Shri U.Venkataramana (Upto 31.07.2018)	6) Shri Amitabh Mathur (w.e.f. 29.07.2019)
7) Shri P.Shankar	7) Shri Myneni Narayana Rao (w.e.f. 29.07.2019)
	8) Smt. Sobha Surendran (w.e.f. 31.10.2019)
	9) Shri B V Rama Gopal (Upto 31.07.2019)
	10) Shri Mrutunjay Sahoo (Upto 31.01.2020)
	11) Dr. P.B. Lohiya (Upto 31.01.2020)
	12) Shri S.M. Vaidya (w.e.f 01.08.2019)

C) Details relating to the parties referred to in Item No.2A & 2B above :

For the Year ended 31-Mar-2020 (₹ in Crore)

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Sitting Fee	Outstanding loans/ advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri S.N. Pandey	0.36	0.09	0.05	-	0.50	-	-
2) Shri G. Aravindan	0.41	0.08	0.29	-	0.78	-	-
3) Shri Rajeev Ailawadi	0.39	0.08	0.09	-	0.56	-	-
4) Shri R. Srikanthan	0.38	0.08	0.01	-	0.47	-	-
5) Shri S. Krishnan	0.03	0.01	-	-	0.04	-	0.04
6) Shri P. Shankar	0.36	0.08	0.05	-	0.49	-	0.10
B. Independent / Government Nominee Directors#							
1) Shri D. Durai Ganesan	-	-	-	-	-	0.03	-
2) Shri Amitabh Mathur						0.02	
3) Shri Myneni Narayana Rao						0.02	
4) Smt. Sobha Surendran						0.01	
5) Shri Mrutunjay Sahoo	-	-	-	-	-	0.05	-
6) Dr. P.B. Lohiya	-	-	-	-	-	0.05	-
TOTAL	**1.93**	**0.42**	**0.49**	**-**	**2.84**	**0.18**	**0.14**

Sitting fees paid to Independent Directors

For the Year ended 31-Mar-2019 (₹ in Crore)

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Sitting Fee	Outstanding loans/ advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri S.N. Pandey	0.51	0.08	-	-	0.59	-	0.01
2) Shri G.Aravindan	0.52	0.08	-	-	0.60	-	-
3) Shri Rajeev Ailawadi	0.35	0.06	-	-	0.41	-	-
4) Shri R.Srikanthan	0.37	0.09	0.02	-	0.48	-	-
5) Shri U.Venkataramana	0.17	0.03	-	-	0.20	-	-
6) Shri P.Shankar	0.48	0.07	-	-	0.55	-	0.11
B. Independent / Government Nominee Directors#							
1) Shri Mrutunjay Sahoo	-	-	-	-	-	0.06	-
2) Dr. P.B. Lohiya	-	-	-	-	-	0.06	-
3) Shri D. Durai Ganesan	-	-	-	-	-	0.02	-
TOTAL	**2.40**	**0.41**	**0.02**	**-**	**2.83**	**0.14**	**0.12**

Sitting fees paid to Independent Directors

This does not include the impact of provision made on actuarial valuation of retirement benefit/long term Schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual directors

3) Trusts

Transactions with Post Employment Benefit Plans managed through separate trust

(₹ in Crore)

Sl. No	Name of the Trust	Post Employment Benefit Plan	As at 31-Mar-2020		As at 31-Mar-2019	
			Contribution by Employer	Outstanding Payable	Contribution by Employer	Outstanding Payable
A	CPCL Employees Provident Fund	Provident Fund	22.74	0.55	20.97	5.00
B	CPCL Employees Superannuation Benefit Fund	Pension Scheme	22.71	-	22.53	-
C	CPCL Employees Group Gratuity Trust	Gratuity	0.30	21.90	59.59	5.57
D	Post Retirement Medical Benefit Trust	PRMB	195.00	41.67	-	-

Note – 35 : FAIR VALUES

Set out below, is a comparison by class of the carrying amounts as per financial statements and fair value of the Company's financial instruments, along with the fair value measurement hierarchy:

(₹ in Crore)

Particulars	Carrying value		Fair value		Fair value measurement hierarchy level
	As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19	
Financial Assets					
Amortised Cost:					
Loans to employees	63.27	55.65	58.58	50.16	Level 2
Total	**63.27**	**55.65**	**58.58**	**50.16**	
Financial liabilities					
A. Borrowings (Non-Current):					
Amortised Cost:					
Non-Convertible Redeemable Debentures	1145.00	-	1148.17	-	Level 2
Lease obligation	13.97	-	14.48	-	Level 2
Preference Shares	572.51	547.33	555.63	558.38	Level 2
Term Loans from Oil Industry Development Board (OIDB)	345.05	50.00	355.32	50.03	Level 2
Total	**2076.53**	**597.33**	**2073.60**	**608.41**	

Notes:

1. Levels under Fair Value measurement hierarchy are as follows:
   (a) **Level 1** items fair valuation is based upon **market price quotation at each reporting date**
   (b) **Level 2** items fair valuation is based upon **Significant observable inputs like PV of future cash flows, MTM valuation, etc.**
   (c) **Level 3** items fair valuation is based upon **Significant unobservable inputs wherein valuation done by independent valuer.**
2. The management assessed that Trade Receivables, Cash and Cash Equivalents, Bank Balances, Deposit for Leave Encashment Fund, Recoverable from Employee Benefits Trusts, Other Non-derivative Current Financial Assets, Short-term Borrowings, Trade Payables, Floating Rate Loans and Other Non-derivative Current Financial Liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
3. The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Methods and assumptions

The following methods and assumptions were used to estimate the fair values at the reporting date:

Level 2 Hierarchy:

(i) **Derivative instruments at fair value through profit or loss viz.Foreign exchange forward contracts:**

Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs are considered.

(ii) **Loans to employees, Loan to related parties, Security deposits paid and Security deposits received,Lease obligations:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities

(iii) **Non Convertible Redeemable Preference shares :** The fair value of Preference shares is estimated by discounting future cash flows.

(iv) **Term Loans from Oil Industry Development Board (OIDB):** Discounting future cash flows using rates currently available for similar type of borrowings (OIDB Borrowing rate) using exit model as per Ind AS 113.

Note – 36 : FINANCIAL INSTRUMENTS AND RISK FACTORS

Financial Risk

Factors

The Company's principal financial liabilities, other than derivatives, comprise Borrowings, trade and other payables, security deposits and employee liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include loans & advances, trade and other receivables, short-term deposits and cash / cash equivalents that derive directly from its operations. The company's requirement of crude oil imports are canalized through its holding company, Indian Oil Corporation Limited. The derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that trading in derivatives are taken only to hedge the various risks that the company is exposed to and not for speculation purpose.

The Company is exposed to a number of different financial risks arising from natural business exposures as well as its use of financial instruments including market risk relating to interest rate, commodity prices, foreign currency exchange rates and equity price, credit risk and liquidity risk.

To ensure alignment of Risk Management system with the corporate and operational objective and to improve upon the existing procedure, the Executive Committee of the company constituted a Committee comprising of officials from various functional areas to identify the risks in the present context, prioritize them and formulate proper action plan for implementation. The Committee has formulated the Risk Management Policy.

The Action Taken Report on the Risk Management Policy for the year 2019-20 (Upto Dec'19) was reviewed by the Risk Management Committee and Audit Committee in April'2020 and Board at the Meeting held on 20.05.2020. The Report for the year 2018-19 has been reviewed by the Audit Committee and Board at the Meeting held on 07.05.2019 and 08.05.2019 respectively.

The Board of Directors oversees the risk management activities for managing each of these risks, which are summarised below:

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The major components of market risk are interest rate risk, foreign currency risk, commodity price risk and other price risks etc. Financial instruments affected by market risk include Borrowings, Deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2020 and 31 March 2019

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions, and other non-financial assets.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at 31 March 2020 and 31 March 2019 including the effect of hedge accounting.

- The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at 31st March 2020.

1) Interest rate risk

The Company is also exposed to interest rate risk from the possibility that changes in interest rates will affect future cash flows of a financial instrument, principally financial debt. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's interest rate risk management includes to maintain a mix between fixed and floating rates for rupee and foreign currency loans, based on liquidity, availability of cost effective instruments and considering the market / regulatory constraints. As at 31 March 2020, approximately 63% of the Company's Long term borrowings are at fixed rate of interest (31 March 2019: 96%).

The sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, on floating rate borrowings is as follows:

Currency	**Increase / Decrease in basis points**	**Effect on profit before tax (₹ in Crore)**	**Increase / Decrease in basis points**	**Effect on profit before tax (₹ in Crore)**
	31-Mar-2020		**31-Mar-2019**	
INR	+50	(2.50)	+50	(6.65)
US Dollar	+50	(1.89)	+50	(3.48)
INR	-50	2.50	-50	6.65
US Dollar	-50	1.89	-50	3.48

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

2) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and Borrowings.

The Company manages its foreign currency risk through combination of natural hedge, hedging undertaken on occurrence of pre-determined triggers as per the Risk management policy. The hedging is undertaken through forward contracts.

The sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant and the impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities is tabulated below. The Company's exposure to foreign currency changes for all other currencies is not material.

Currency	**Increase / Decrease in %**	**Effect on profit before tax (₹ in Crore)**	**Increase / Decrease in %**	**Effect on profit before tax (₹ in Crore)**
	31-Mar-2020		**31-Mar-2019**	
US Dollar	+5%	(90.51)	+5%	(177.87)
	-5%	90.51	-5%	177.87

The effects of most exchange rate fluctuations are absorbed in business operating results which are offset by changing cost competitiveness, lags in market adjustments to movements in rates to its other non-financial assets like inventory etc. For this reason, the total effect of exchange rate fluctuations is not identifiable separately in the company's reported results.

3) Commodity price risk

The Company is exposed to various commodity price related risk such as Refinery Margins i.e. Differential between the prices of petroleum products & crude oil, inventoty valuation fluctuation and crude oil imports etc. As per approved risk management policy, the Company can undertake refinery margin hedging, inventory hedging and crude oil price hedging through swaps, options and futures in the OTC market as well as domestic exchanges to mitigate the risk within the approved limits.

B. Credit risk

1) Trade receivables

Customer credit risk is managed according to the Company's policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. Transactions other than with oil marketing companies are either generally covered by Letters of Credit, Bank Guarantees or cash-and-carry basis.

2) **Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty so as to minimise concentration of risks and mitigate consequent financial loss.

The Company's maximum exposure to credit risk for the components of the Balance Sheet at 31 March 2020 and 31 March 2019 is the carrying amounts as provided in Note 4, 5, 6, 11 & 12.

C. Liquidity risk

The Company monitors its risk of shortage of funds using detailed cash flow projections which is monitored closely on daily basis. The Company seeks to manage its liquidity requirement by maintaining access to both short term and long term debt markets. In addition, Company has committed credit facilities from banks.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, commercial papers, bank loans and debentures. and finance leases. The Company assessed the concentration of risk and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ in Crore)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31-Mar-2020						
Borrowings(including lease obligations)	2721.32	3015.46	8.49	2952.77	-	8698.04
Trade payables	262.27	1292.40	-	-	-	1554.67
Other financial liabilities	652.19	-	-	-	-	652.19
	3635.78	**4307.85**	**8.49**	**2952.77**	**-**	**10904.90**
Year ended 31-Mar-2019						
Borrowings	3089.99	1788.67	345.80	1443.51	-	6667.97
Trade payables	1168.95	1272.15	-	-	-	2441.10
Other financial liabilities	728.84	-	-	-	-	728.84
	4987.78	**3060.82**	**345.80**	**1443.51**	**-**	**9837.91**

D. Excessive risk concentration

Substantial portion of the Company's sales is to the Holding Company, Indian Oil Corporation Limited. Consequently, trade receivables from IOCL are a significant proportion of the Company's receivables. Since the operations are synchronised with those of the Holding Company, for optimal results, the same does not present any risk.

E. Collateral

As the Company has been rated investment grade by various rating agencies, there has been no requirement of submitting any collateral for booking of derivative contracts. The Company undertakes derivatives contract only with those counterparties that have credit rating above the internally approved threshold rating. Accordingly, the Company does not seek any collaterals from its counterparties.

Note – 37 : CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company monitors capital using debt equity ratio, which is borrowings divided by Equity. The Company's strategy is to keep the debt equity ratio in the range of 2:1 and 1:1 under normal circumstances. The Company also includes accrued interest in the borrowings for the purpose of capital management. The year end Debt-Equity ratio has been impacted by substantial write-down of inventories due to the CoVID-19 situation and the resultant decline in international prices of crude and products. Need for capital infusion, would be reasssed based on the turnaround of the situation

(₹ in Crore)

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Borrowings	8698.04	6667.97
Total Borrowings	**8698.04**	**6667.97**
Equity Share Capital	148.91	148.91
Reserves and Surplus	1043.37	3160.60
Equity	**1192.28**	**3309.51**
Debt Equity Ratio	**7.30 : 1**	**2.01 : 1**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2020 and 31st March 2019

Note – 38 : RESEARCH AND DEVELOPMENT COSTS

Research and Development Expenses of ₹ 0.32 Crore(2019: ₹ 0.41 Crore) of capital expenditure incurred and ₹ 4.49 Crore (2019 ₹ 5.91 Crore) of recurring expenditure have been accounted for in the Statment of Profit and Loss during the year. Detailed break up of total expenditure is as under:

A. CAPITAL EXPENSES (PROPERTY, PLANT & EQUIPMENT)

₹ in Crore

Asset Block	Gross Block as at 1st Apr 2019	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at 31st Mar 2020	Work-in-Progress as at 1st Apr 2019	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31st Mar 2020	Total Capital Expenditure
1	2	3	4	5	6 = (2+3+4-5)	7	8	9	10 = (7+8-9)	11=(3+8)
Property, Plant & Equipment										
Plant & Equipment	15.96	0.24	0.20	-	16.40	0.12	0.08	0.20	-	0.32
Office Equipment	0.30	-	-	-	0.30	-	-	-	-	-
Furniture & Fixtures	0.28	-	-	-	0.28	-	-	-	-	-
Total	**16.54**	**0.24**	**0.20**	**-**	**16.98**	**0.12**	**0.08**	**0.20**	**-**	**0.32**

B. RECURRING EXPENSES

₹ in Crore

Sl. No	Particulars	As at 31-Mar-2020	As at 31-Mar-2019
1	Consumption of Stores, Spares & Consumables	0.47	0.52
2	Repairs & Maintenance		
	(a) Plant & Equipment	0.23	0.15
3	Payment to and Provisions for employees	3.31	4.65
4	Other Expenses	0.48	0.59
	Total	**4.49**	**5.91**

C. TOTAL RESEARCH EXPENSES

₹ in Crore

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Capital Expenditure	0.32	0.41
Recurring Expenditure	4.49	5.91
Total	**4.81**	**6.32**

Note – 39 : DISCLOSURE RELATING TO CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

(₹ in Crore)

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
(a) Gross amount required to be spent by the company during the year.		
Annual CSR Allocation	16.72	18.74
Carry forward from previous year	-	-
Gross amount required to be spent	16.72	18.74

(b) Amount spent during the year on: (₹ in Crore)

Particulars	As at 31-Mar-2020			As at 31-Mar-2019		
	In cash	Yet to be paid In cash**	Total	In cash	Yet to be paid In cash**	Total
(i) Construction/acquisition of any assets	-	-	-	-	-	-
(ii) On purposes other than (i) above						
Health and Sanitation	2.06	-	2.06	4.73	0.02	4.75
Swachh Bharat	9.65	-	9.65	7.22	0.10	7.32
Education/employment vocational skills	2.86	-	2.86	3.91	-	3.91
Drinking Water	-	-	-	0.30	-	0.30
Other expenses	2.15	-	2.15	2.61	-	2.61
Total Expenses (ii)	**16.72**	**-**	**16.72**	**18.77**	**0.12**	**18.89**
Grand Total (i) and (ii)	**16.72**	**-**	**16.72**	**18.77**	**0.12**	**18.89**

**Provisions made for liabilities incurred

Note – 40 : DISCLOSURE ON GOVERNMENT GRANTS

A Revenue Grants

1 Stipend to apprentices under NATS scheme

The company has received grant of ₹ 0.97 crore (2019: Nil) in respect of stipend paid to apprentices registered under National Apprenticeship Training Scheme (NATS) and the same has been accounted on net basis against training expenses.

2 EPCG Grant

Grant recognised in respect of duty waiver on procurement of capital goods under EPCG scheme of Central Government which allows procurement of capital goods including spares for pre production and post production at zero duty subject to an export obligations of 6 times of the duty saved on capital goods procured.The unamortized capital grant amount as on March 31, 2020 is ₹ 1.67 Crore (2019: ₹ 1.36 Crore). The company recognised ₹ 3.10 Crore (2019: ₹ 4.96 Crore) in the statement of profit & loss account as amortisation of revenue grant. The company expects to meet the export obligations in line with the scheme.

3 Export of Notified Goods under Advance Authorisation Scheme

The Company has recognised ₹ 0.38 Crore (2019: Nil) on export of notified goods under Advance Authorisation Scheme in the statement of Profit and loss as Revenue Grant.

4 Grant in respect of Revenue expenditure for research projects

During the year, the Company has received revenue grant of ₹ 0.47 crore (2019 : ₹ 2.36 Crore in respect of meeting out revenue expenditure such as manpower, consumable etc for research project undertaken with Centre of High Technology under the Ministry of Petroleum & Natural Gas and the same has been reckoned on net basis in expenses.

B Capital Grants

1 Capital Grant in respect of interest subsidy

The Company has received capital grant in the form of interest subsidy on loans taken from OIDB. The unamortized capital grant amount as on March 31, 2020 is ₹ 5.05 crore (2019 : Nil). During the year, the company has recognised ₹ 0.47 crore (2019 : Nil) in the statement of profit and loss as amortisation of capital grants

Note – 41 : EXPOSURE TO FINANCIAL DERIVATIVES

Financial and Derivative Instruments:

1 All derivative contracts entered into by the Company are for hedging its foreign currency relating to underlying transactions and firm commitments and not for any speculative or trading purposes.

2 The company has No Outstading forward contract as at 31st March 2020(2019 : NIL) which has been undertaken to hedge its exposure to borrowings and other financial liabilities.

3 Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2020 is given below:

₹ in Crore

S. No	Particulars	As on 31-Mar-2020	As on 31-Mar-2019
		Aggregate amount	Aggregate amount
1	Unhedged- Payables	1866.60	3691.80
2	Unhedged- Receivables	56.31	134.46

Refer Note – 10A - Offsetting Financial Assets and Financial Lilbilities

NOTE – 42 : REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company is in the business of refining crude oil and it earns revenue primarily from sale of petroleum products and others. Revenue is recognized when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. In determining the transaction price for the sale of products, the company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Generally, Company enters into contract with customers for sale on EX-MI basis. Majority of Company's sales are to Oil Marketing Companies and Downstream industries for which credit period is less than 1 year. Direct sales to other customers are generally on cash and carry basis. Revenue is recognised when the goods are delivered to the customer by adjusting the amounts deposited by customers, if any.

Bifurcation of Total Revenue into Revenue from contract with customers and other sources of revenue as per requirement of Ind AS 115 is given below;

₹ in Crore

	2019-2020	2018-2019
Total Revenue	48642.24	52191.02
Revenue from contract with customers	48624.24	52177.43
Revenue from other contracts/from others	18.00	13.59

No impairment of losses on receivables has been recognised during the current and previous year.

Note – 43 : OTHER DISCLOSURES

1 Details of impairment loss in respect of Cauvery Basin Refinery

The Company has refineries at two locations viz., Manali and Nagapattinam (Cauvery Basin Refinery - CBR). Consequent to implementation of BS- IV specifications on a pan India basis w.e.f 01.04.2017 and in the absence of secondary treatment facilities, the BS – III grade of diesel production from CBR would not be marketable in the local market, entailing significant coastal/export under recoveries, which has adversely impacted the profitability of CBR and the operations of the CBR unit have been stopped from 01.04.2019. Accordingly, the value in use is negative and, the recoverable value of the assets was reviewed and it is estimated that there would not be any recoverable value for the same. Considering "Nil" recoverable Value of the assets, an amount of ₹ 54.42 Crore (2019: ₹ 0.93 Crore) has been accounted as impairment loss during the year, (including Capital work in Progress), in line with the requirements of Ind AS -36. The Total impairment loss recognized as on 31.03.2020 - ₹ 121.47 Crore (2019: ₹ 67.04 Crore).

The impairment provision is sensitive to changes in key judgements, such as changes in commodity prices, future changes in alternate use of assets etc, which could result in increase or decrease of the recoverable amounts and result in additional impairment charges or recovery of impairment charged.

2 Capital Work in progress & Intangibles under development includes ₹ 49.66 crore and ₹ 222.29 crore (2019 : ₹ 25.11 crore and ₹ 77.99 crore) respectively towards pre-project feasibility studies for the 9 MMTPA refinery being planned at Cauvery Basin Refinery, Nagappattinam.

3 Pending finalization of revision in pay and benefits in respect of non - supervisory employees, provision of ₹ 114.77 crore has been reckoned. (2019:₹ 69.14 Crore)

4 As part of CSR activities, CPCL sponsors polytechnic college, for which twenty acres of land of the company has been leased to the CPCL Educational Trust for a period of 50 years.

5 (a) The cost of land includes provisional payments towards cost, compensation, and other accounts for which detailed accounts are yet to be received from the authorities concerned.

(b) The company has valid title for all immovable properties. However, in respect of 186.86 acres of land allotted by Government of Tamil Nadu (classified as Poramboke) assignment deed is yet to be received. Out of this, value is to be determined by Government of Tamilnadu in respect of 135.93 acres.

(c) Pending decision of the Government/Court, additional compensation, if any, payable to the landowners and the Government for certain lands acquired, is not quantifiable, and hence not considered.

6 The company's Property, Plant & Equipments and stores and spares were damaged due to severe floods in Chennai during December 2015. As against the claim amount of ₹ 39.05 Crore (replacement & repair cost net of deductibles and Fuel cost for start-up, shutdown and for loss minimisation net of deductibles), on account payment of ₹ 3.00 Crore received from the insurance company in FY 2015-16, has been accounted as income in that year. The claim has been lodged with the insurance company. The insurance company is yet to settle the claim amount.

In respect of damages suffered due to Vardha cyclone during December 2016, claim of ₹ 15.04 Crore (net of deductibles) for material damage and fuel cost for shutdown and startup was submitted to M/s. United India Insurance Company Limited during the year 2018-19. The insurance company has settled an amount of ₹ 11.95 crore on 27th March 2020. The same has been accounted as income in the current year.

7 The International prices of crude and prices have crashed on account of demand destruction due to the COVID-19 Pandemic situation. This has resulted in significant inventory write down of ₹ 1456 crore.

8 During the year, the company has opted to settle pending disputed cases under the Direct Tax Vivad Se Vishwas Act, 2020. The gross amount of tax dispute foregone is ₹ 269.54 Crore and provision for ₹ 94.51 Crore has been included in current tax Expense and the same is subject to receipt of final orders from Income Tax Authorities. The procedural compliances in this regard is under progress.

9 The company operates only in a single segment viz. downstream petroleum sector. As such reporting is done on a single segment basis.

10 Covid-19 related impact: The offtake of petroleum products in April / May 2020 has been sluggish and accordingly, the capacity utilization has been low, which would be normalised based on Turnaround of the situation. There are no other significant subsequent events that would require adjustments or disclosures in the financial statements as at the Balance Sheet date.

11 Previous year's comparative figures have been regrouped, reclassified and recast wherever necessary.

(S N Pandey)	**(Rajeev Ailawadi)**	**(P. Shankar)**
Managing Director	Director (Finance)	Company Secretary
DIN - 08062182	DIN - 07826722	ACS-7624

As per our Report of even date

For PADMANABHAN RAMANI & RAMANUJAM	**For SREEDHAR SURESH & RAJAGOPALAN LLP**
Chartered Accountants	Chartered Accountants
(FRN: 002510S)	(FRN: 003957S / S200145)
P. Ranga Ramanujam	**V. Suresh**
Partner	Partner
Membership No. 022201	Membership No. 026525
UDIN : 20022201AAAABC1973	UDIN : 20026525AAAAAD6731

Place : Chennai
Date : 20-May-2020

Independent Auditors' Report

To

The Members of Chennai Petroleum Corporation Limited

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of CHENNAI PETROLEUM CORPORATION LIMITED (hereinafter referred to as the "Company") and its Jointly controlled entities, NATIONAL AROMATICS AND PETROCHEMICALS CORPORATION LIMITED and INDIAN ADDITIVES LIMITED, which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss, (including Other Comprehensive Income), the Consolidated Statement of changes in equity and the Consolidated Statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its jointly controlled entities as at March 31, 2020, of consolidated loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its jointly controlled entities in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER 1	Valuation of Finished Goods and Intermediary Products
CRITERIA FOR DISCLOSURE AS KEY AUDIT MATTER	Complexities in Valuation
DESCRIPTION	**AUDIT APPROACH**
Stock of Finished Goods and intermediates form a significant portion of the inventory. Any material misstatement in valuation of inventories will have a significant impact on the profits and also vitiate the value of security given to creditors. As per Ind-AS 2, inventory is to be valued at lower of cost or net realisable value. Typically, for Joint Products, Ind-AS 2 lays down a method of aggregation of costs and allocation to the respective products on the sales values to arrive at the cost of finished products. However, the company follows an indirect method of arriving at the cost by reducing a uniform margin (Gross Refinery margin or GRM) from all its product selling prices to arrive at the cost of each product. GRM is the difference between the sale value of the products produced in a month and the cost of crude with its associated cost of conversion. Collating several pieces of data from diverse sources and arriving at GRM is a demanding and complex task. While the Realisable values have to adjusted for recoveries, assessment of cost involves collecting correct values of crude consumed, its related direct costs and other conversion costs, assessment of intermediates, quantity of finished products produced and its selling prices. Further adjustments of excise duty for select products have to be done. Similarly, the production of intermediates is based on technical evaluation of the goods lying incomplete at different stages of processing.	Audit risk assessment and sampling were designed to gain assurance on the "Completeness", "Accuracy & Valuation" of financial statement at the assertion level and compliance with Ind-AS 2. During the course of audit, considering the large volumes of data and complexity in the calculations involved, audit procedures were designed to ensure that • the figure collected for valuation were from the correct sources and accurate. • Sales price adjustments were in order • excise workings were correct • The GRM which was derived was accurate • The resultant calculation of cost based on GRM was correct • The final valuation was error free and correct The valuation as per direct method detailed in Ind – AS 2 was independently worked out by audit to ensure there was no variance between the method adopted by the company vis-à-vis Ind-AS 2. In respect of intermediate stocks, the technical evaluation was examined and explanations were sought on the methods used by the company in identifying the products in process. We have examined the product cycle and yield and cross checked with the products produced in the next accounting period. No material differences were found.

KEY AUDIT MATTER 1	Valuation of Finished Goods and Intermediary Products
Further, since the crude prices were volatile and falling, it had to be examined whether the stock was overvalued and if the Replacement cost method specified in Ind-AS 2 was adopted. That these processes are manually performed adds to the risk of error and material misstatement. Stock taking at the end of the year is usually done in the presence of auditors on selective basis. Due to the unprecedent situation prevailing at that time caused by pandemic stock taking was done entirely by the company without the presence of auditors.	Further, the valuation of crude was examined to ensure the valuation was in line with the method prescribed in Ind-AS 2. To mitigate the risk of material misstatement in stock taking and consequent valuation, the following procedures were adopted to ensure 1. Assessing the program of stock taking undertaken by the company for adequacy 2. Cross-checking physical verification report of the company and stock records for material variations 3. Testing high value items

KEY AUDIT MATTER 2	Accounting for Crude Oil Purchases & Valuation
CRITERIA FOR DISCLOSURE AS KEY AUDIT MATTER	Uncertainty in assessing the level of error and misstatement
DESCRIPTION	**AUDIT APPROACH**
Measurement of crude at the time of intake, issue or cut-off is not 100% accurate considering the nature of the material and changes in density and temperature which affects the volume each time a measurement is taken. Any error/aberration in measurement affects crude valuation, consumption and ocean loss. Lack of system driven accounting of consumption and reliance on manual controls add to the risk of material misstatement. These factors involve detailed audit coverage & professional judgment and were significant in the audit of the financial statements	The, audit risk assessment and sampling were designed to gain assurance on the "Completeness", "Cut-off" & "Accuracy" of financial statement at the assertion level. The company has fixed a maximum permissible level of difference in receipt of invoiced quantity. On our verification, the overall differences were within this level. The company has a system of cross-verification of consumption and the carrying cost of crude by manual methods. On our verification, the differences were not material and adjusted to consumption or the carrying cost of crude. Also, on our verification, no material errors were noticed in manual or system controls.

KEY AUDIT MATTER 3	Revenue Accounting
CRITERIA FOR DISCLOSURE AS KEY AUDIT MATTER	Impact on Profitability, taxes & profit availability for distribution
DESCRIPTION	**AUDIT APPROACH**
Revenue from sale of finished products is recognized once the control over the goods is transferred to the buyer. Control is transferred when the goods are dispatched from the factory. Revenue recognition is based on the consideration expected to be received for goods sold, excluding discounts, recoveries, and any taxes or duties collected. Revenue recognition varies with the mode of transport adopted for transferring control over the goods. Authentic measurement of goods dispatched, recovery of charges built into prices, dispatches from storage units outside the premises, discounts require strong process controls to ensure accuracy of revenue recognized. Reliable accounting of Revenue is of high importance as any misstatement will impact all other key performance indicators of the Company.	Our audit procedure included the following: - 1. Assessing whether the revenue recognition policies were appropriate 2. Testing the design and implementation of system driven controls 3. Testing of manual controls 4. Effectiveness of controls at cut off 5. Client confirmation and Reconciliation procedures followed to eliminate any differences.

KEY AUDIT MATTER 4	Payroll Processing & Retirement Benefits
CRITERIA FOR DISCLOSURE AS KEY AUDIT MATTER	Inherent risk in estimating retirement benefits & Complexities in payroll process
DESCRIPTION	**AUDIT APPROACH**
1. Payroll contains several components which derive the data from other software and manual entries. The amount and type of employee benefits vary with the grade of the employee. Some of these benefits are system driven while some critical data are manually recorded. Since the software processing the payroll and its associated software are not fully integrated, manual methods are used to collate and process data. Further, lack of direct interface between applications, manual sub-processes without dual control, diverse payroll items affecting different classes of employees pose risk of error or material misstatement in calculation of employee benefits. 2. Provision for salary increments to non-supervisory employees are based on the management's best estimate of the possible settlement which may be ultimately agreed. Actuarial valuation of post retirement benefits also get impacted by these estimates. 3. Accounting for post-retirement benefits require significant level of estimation and judgement on the part of the management. Major actuarial assumptions are given in Note no.32. Due to the inherent risks of inaccuracy posed by estimates, post-retirement benefits are significant in audit verification.	Payroll sub-processes were assessed for the level of audit risk and samples were selected & verified to ensure "Completeness", "Accuracy & Valuation" of financial statement at the assertion level and compliance with Ind-AS 19. Considering the nature of sub-processes involved, audit procedures were designed to ensure that • the estimates by the management were reliable and conservative • Actuarial reports considered all inputs required for valuation • Attendance & leave data were correctly captured • Overtime & allowances were properly approved and captured • Loan recoveries and statutory deductions were accurate • The final payroll and accounting were correct. • The guidelines of the Government and the basis of the management in estimating the provision for salary increment for non-supervisory employees were evaluated. Based on our verification, no material lapses or inaccuracies were observed.

KEY AUDIT MATTER 5	Evaluation of Adequacy of Provision For Impairment of Property, plant & Equipment under Ind AS 36
CRITERIA FOR DISCLOSURE AS KEY AUDIT MATTER	As it requires significant management judgments and assumptions in measuring the value in use of Property, Plant and Equipment.
DESCRIPTION	**AUDIT APPROACH**
Evaluation of Adequacy of Provision For Impairment of Property, plant & Equipment under Ind AS 36 The carrying amount of Property, Plant & Equipment and Capital work in progress reported in Note No. 2 & 2.1 for the year ended 31-03-2020 is ₹ 7012.51 Cr (2019: ₹ 6954.28 Cr) and ₹ 1375.51 Cr (2019: ₹ 1121.49 Cr) respectively after providing cumulative impairment loss of ₹ 118.85 Cr (2019: ₹ 65.58 cr) and ₹ 2.33 Cr (2019: ₹ 1.18 cr) respectively In line with Ind AS 36: 'Impairment of Assets', the company is required to assess indicators of impairment, both external and internal, in relation to tangible assets at the end of the reporting period. Accordingly, the company identified the presence of the impairment indicators as at the reporting date and consequently carried out an impairment assessment. The computation of recoverable amount of tangible assets in accordance with the Standard, involves significant estimation of several factors. The impairment assessment is subject to significant management's judgements and estimation of projections in the following areas: i. The selection of an appropriate impairment model. The company has selected the Discounted cash flow model for the impairment assessment; ii. Estimation and assessments of the expected cash flows from the operations based on the projected estimated gross margin assumptions. iii. Selection of the appropriate discount rate to arrive at the value in use.	Our audit procedures performed included the following: 1. We have assessed the reasonableness of the key assumptions in respect the sales volume and the profitability in terms of Gross Refinery margins, basis of the number of years considered for the cash flows, discount factor, discount rate, computation of the terminal value and the models to determine whether they are reasonable given the current macroeconomic climate and expected future performance of the CGU. 2. We have verified the mathematical accuracy of the calculations. 3. We have subjected the key assumptions to sensitivity analyses; and 4. We have verified the appropriateness of the disclosure requirements in the audited financial statements and compliance with the accounting policy of the company.

KEY AUDIT MATTER 5	Evaluation of Adequacy of Provision For Impairment of Property, plant & Equipment under Ind AS 36
We have considered the adequacy of the provision For Impairment of Property, Plant & Equipment as a key audit matter as it requires significant management judgments and assumptions in measuring the value in use of Property, Plant and Equipment. (Please Refer Note No. 2, 2.1, and 43.1 and the significant accounting policy No. 4).	

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The respective Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Company's Annual Report, but does not include the consolidated financial statements and our auditor's report thereon, which are expected to be made available to us after the date of this Auditor's Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact to the respective Company's those charged with governance. We have nothing to report in this regard.

RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated statement of changes in equity and consolidated cash flows of the Company and its Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Company and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its Jointly controlled entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Company and of its Jointly controlled entities are responsible for assessing the ability of the Company and of its Jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Company and its Jointly controlled entities are also responsible for overseeing the financial reporting process of the Company and its Jointly controlled entities.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to the Company and its Jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its Jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company and its jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

(a) The consolidated financial statements include the Company's share of net profit/loss of ₹ NIL for the year ended 31st March, 2020, as considered in the consolidated financial statements, in respect of National Aromatics and Petrochemicals Corporation Limited, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled entity and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entity is based solely on the reports of the other auditors.

(b) The consolidated financial statements also include the Company's share of net profit of ₹ 27.08 Crore for the year ended 31st, March 2020, as considered in the consolidated financial statements, in respect of Indian Additives Limited, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled entity and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entity is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Company.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) The company being a Government Company, disqualification of directors stated under Section 164(2) of the Act is not applicable to the Company as per notification no. GSR 463(E) of the Ministry of Corporate Affairs dated 05/06/2015.

On the basis of the report of the statutory auditors of the jointly controlled entity National Aromatics And Petrochemicals Corporation Limited, and in respect of the other jointly controlled entity Indian Additives Limited on the basis of representations provided by the management, none of the directors of the jointly controlled entities are disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Company and its Jointly controlled entities and the operating effectiveness of such controls, refer to our separate report in "Annexure A". With regard to one of the jointly controlled entities, the reports of the other auditor are taken into account.

(g) The Company, being a Government Company, the provisions of section 197 are not applicable to the Company as per the notification of MCA in G.S.R. 463(E) dated 5th June 2015, and therefore the reporting requirement under section 197(16) does not arise.

On the basis of the report of the statutory auditors of the jointly controlled entity National Aromatics And Petrochemicals Corporation Limited, and in respect of the other jointly controlled entity Indian Additives Limited on the basis of representations provided by the management, the remuneration paid to the directors of such entities during the current year is in accordance with section 197 of the Act and the remuneration paid to any director is not in excess of the limit laid down under sec.197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its jointly controlled entities- Refer Note 33 to the consolidated financial statements.

(ii) The Company and its jointly controlled entities did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its Jointly controlled entities.

For Padmanabhan Ramani & Ramanujam
Chartered Accountants
FRN: 002510S

P. Ranga Ramanujam
Partner
Membership No: 022201
UDIN: 20022201AAAABD5352

For Sreedhar Suresh & Rajagopalan LLP
Chartered Accountants
FRN: 003957S/S200145

V. Suresh
Partner
Membership No: 026525
UDIN: 20026525AAAAAE2119

Place : Chennai
Date : May 20, 2020

Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1(f) under Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Chennai Petroleum Corporation Limited on the standalone financial statements of the Company for the year ended March 31, 2020)

Report on the Internal Financial Controls over financial reporting under Clause (i) of Section 143(3) of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of **CHENNAI PETROLEUM CORPORATION LIMITED** ("Company") and its Jointly controlled entities, **NATIONAL AROMATICS AND PETROCHEMICALS CORPORATION LIMITED** and **INDIAN ADDITIVES LIMITED** which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the company and its jointly controlled entities which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company, and its jointly controlled entities, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

Other Matters

Our aforesaid reports under section 143 (3) (i) of the act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to National Aromatics and Petrochemicals Corporation Limited , a jointly controlled company, which is incorporated in India, is based on the corresponding report of the auditor of the company. In respect of Indian Additives Ltd., another jointly controlled entity incorporated in India, the adequacy and operating effectiveness of the internal financial controls over financial reporting is based on the representations provided by the management.

For Padmanabhan Ramani & Ramanujam
Chartered Accountants
FRN: 002510S

P. Ranga Ramanujam
Partner
Membership No: 022201
UDIN: 20022201AAAABD5352

For Sreedhar Suresh & Rajagopalan LLP
Chartered Accountants
FRN: 003957S/S200145

V. Suresh
Partner
Membership No: 026525
UDIN: 20026525AAAAAE2119

Place : Chennai
Date : May 20, 2020

Consolidated Balance Sheet
As at 31st March 2020

₹ in Crore

Particulars		Note	As at 31-Mar-20	As at 31-Mar-19
I	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment	2	7012.51	6954.28
	(b) Capital work-in-progress	2.1	1375.51	1121.49
	(c) Intangible assets	3	21.60	23.03
	(d) Intangible assets under development	3.1	222.29	77.99
	(e) Financial Assets			
	(i) Investments			
	- Equity Investment in Joint Ventures	4	178.92	158.98
	- Other Investments	4.1	0.11	0.11
	(ii) Loans	5	51.26	45.21
	(iii) Other Financial Assets	6	80.83	76.63
	(f) Deferred tax assets (Net)	7	933.52	-
	(g) Income tax assets (Net)	7	49.44	45.48
	(h) Other non-current assets	8	47.77	46.01
			9973.76	**8549.21**
(2)	**Current assets**			
	(a) Inventories	9	2360.77	4846.96
	(b) Financial Assets			
	(i) Trade receivables	10	123.90	327.33
	(ii) Cash and cash equivalents	11	0.05	0.17
	(iii) Other bank balances	12	3.68	9.60
	(iv) Loans	5	34.70	22.78
	(v) Other Financial Assets	6	52.90	20.70
	(c) Other current assets	8	286.16	325.57
			2862.16	**5553.11**
	TOTAL ASSETS		**12835.92**	**14102.32**
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share capital	13	148.91	148.91
	(b) Other Equity	14	1210.36	3307.63
	LIABILITIES			
(1)	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	15	2952.77	1443.51
	(ii) Other financial liabilities	16	6.84	-
	(b) Provisions	17	100.63	254.68
	(c) Deferred tax liabilities (Net)	7	-	120.74
	(d) Other non-current liabilities	18	13.64	1.36
			3073.88	**1820.29**
(2)	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	19	5732.68	4873.97
	(ii) Trade payables	20		
	- Total outstanding dues of micro and small enterprises		0.56	1.58
	- Total outstanding dues of creditors other than micro and small enterprises		1554.11	2439.52
	(iii) Other financial liabilities	16	657.94	1079.33
	(b) Other current liabilities	18	415.96	394.93
	(c) Provisions	17	41.52	36.16
			8402.77	**8825.49**
	TOTAL EQUITY AND LIABILTIES		**12835.92**	**14102.32**
	See accompanying notes to the financial statements	1-45		

for and on behalf of Board of Directors

(S N Pandey)
Managing Director
DIN - 08062182

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P. Shankar)
Company Secretary
ACS-7624

As per our attached Report of even date

For PADMANABHAN RAMANI & RAMANUJAM
Chartered Accountants
FRN: 002510S

P. Ranga Ramanujam
Partner
Membership No. 022201
UDIN : 20022201AAAABD5352

For SREEDHAR SURESH & RAJAGOPALAN LLP
Chartered Accountants
FRN: 003957S / S2000145

V. Suresh
Partner
Membership No. 026525
UDIN : 20026525AAAAAE2119

Place : Chennai
Date : 20-May-2020

CPCL

Consolidated Statement of Profit and Loss

For the year ended 31st March 2020

₹ in Crore

	Particulars	Note	For the Year ended 31-Mar-20	For the Year ended 31-Mar-19
I.	**Revenue from operations**	21	48650.22	52201.22
II.	**Other income**	22	72.90	52.81
III.	**Total Income (I + II)**		**48723.12**	**52254.03**
IV.	**Expenses:**			
	Cost of materials consumed	23	35793.34	38468.11
	Purchase of Stock-in-Trade		896.49	1139.51
	Changes in Inventories (Finished Goods and Work-In Progress)	24	990.39	(409.89)
	Excise Duty		11533.48	10862.83
	Employee benefits expense	25	511.63	460.52
	Finance costs	26	413.25	419.76
	Depreciation and Amortisation expense on:			
	a) Tangible Assets	2	466.59	450.92
	b) Intangible Assets	3	1.59	1.61
			468.18	452.53
	Impairment on PPE/CWIP/Intangible assets		54.42	0.93
	Other expenses	27	1083.87	1163.70
	Total Expenses (IV)		**51745.05**	**52558.00**
V	**Profit/(Loss) before Exceptional items and tax (III - IV)**		(3021.93)	(303.97)
VI	**Share of Profit of Joint Ventures**		27.08	13.96
VII	**Exceptional Items**		-	-
VIII	**Profit/(Loss) before tax (V + VI + VII)**		**(2994.85)**	**(290.01)**
IX	**Tax expense:**	7		
	(1) Current tax [Includes 94.51 Crore (2019: Nil) relating to prior years]		94.51	-
	(2) Deferred tax [Includes Nil (2019: Nil) relating to prior years]		(1032.96)	(84.66)
X	**Profit/(loss) for the year from continuing operations (VIII - IX)**		**(2056.40)**	**(205.35)**
XI	Profit/(loss) from discontinued operations		-	-
XII	Tax expense of discontinued operations		-	-
XIII	**Profit/(loss) from Discontinued operations(after tax) (X - XI)**		-	-
XIV	**Profit / (loss) for the year (X + XIII)**		**(2056.40)**	**(205.35)**
XV	**Other Comprehensive Income**	28		
A.	(i) Items that will not be reclassified to profit or loss		(60.95)	(2.74)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	7	21.30	0.96
B.	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income Tax relating to items that will be reclassified to profit or loss		-	-
XVI	**Total Comprehensive Income for the year (XIV + XV) (Comprising Profit/ (Loss) and Other Comprehensive Income for the year)**		**(2096.05)**	**(207.13)**
XVII	**Earning per equity share:**			
	(1) Basic (₹)	30	**(138.10)**	(13.79)
	(2) Diluted (₹)		**(138.10)**	(13.79)
	See accompanying notes to the financial statements	1-45		

(S N Pandey)
Managing Director
DIN - 08062182

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P. Shankar)
Company Secretary
ACS-7624

As per our attached Report of even date

For PADMANABHAN RAMANI & RAMANUJAM
Chartered Accountants
FRN: 002510S

P. Ranga Ramanujam
Partner
Membership No. 022201
UDIN : 20022201AAAABD5352

For SREEDHAR SURESH & RAJAGOPALAN LLP
Chartered Accountants
FRN: 003957S / S2000145

V. Suresh
Partner
Membership No. 026525
UDIN : 20026525AAAAAE2119

Place : Chennai
Date : 20-May-2020

Consolidated Statement of Changes in Equity

For the year ended 31st March 2020

(a) Equity Share Capital

₹ in Crore

	Equity shares of ₹ 10 each issued, subscribed and fully paid	Subscribed, called-up and paid-up share capital	Add: Forfeited shares (amount originally paid up)	Less: Cancelled shares (amount originally paid up)	Total paid-up equity share capital
At 31 March 2019	148911400	148.91	0.09	(0.09)	148.91
At 31 March 2020	**148911400**	**148.91**	**-**	**-**	**148.91**

(b) Other equity

₹ in Crore

	Reserve and Surplus						Total
	Securities Premium	Bond Redemption Reserve	Capital Redemption reserve	Capital reserve	Retained earnings	General reserve	
At 01 April 2018	250.04	250.00	600.00	-	(582.75)	3330.71	3848.00
Profit for the Year	-	-	-	-	(205.35)	-	(205.35)
Other comprehensive income (Remeasurement of gain or loss on defined benefit plan)	-	-	-	-	-	(1.78)	(1.78)
Total comprehensive income	-	-	-	-	(205.35)	(1.78)	(207.13)
Transfer to Retained Earnings	-	-	-	-	-	-	-
Transfer to Capital Redemption Reserve	-	-	-	-	-	-	-
Transfer from Equity Share Capital (Cancelled Shares)	-	-	-	0.09	-	-	0.09
Transfer to Bond Redemption Reserve	-	(250.00)	-	-	-	250.00	-
Dividend	-	-	-	-	(275.49)	-	(275.49)
Dividend distribution tax (DDT)	-	-	-	-	(57.84)	-	(57.84)
At 31 March 2019	250.04	-	600.00	0.09	(1121.43)	3578.93	3307.63

₹ in Crore

	Reserve and Surplus						Total
	Securities Premium	Bond Redemption Reserve	Capital Redemption reserve	Capital reserve	Retained earnings	General reserve	
At 01 April 2019	250.04	-	600.00	0.09	(1121.43)	3578.93	3307.63
Profit for the Year	-	-	-	-	(2056.40)	-	(2056.40)
Other comprehensive income (Remeasurement of gain or loss on defined benefit plan)	-	-	-	-	-	(39.65)	(39.65)
Total comprehensive income	-	-	-	-	(2056.40)	(39.65)	(2096.05)
Transfer to Retained Earnings	-	-	-	-	-	-	-
Transfer to Capital Redemption Reserve	-	-	-	-	-	-	-
Transfer from Equity Share Capital (Cancelled Shares)				-			-
Transfer from Bond Redemption Reserve	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-
Dividend distribution tax (DDT)	-	-	-	-	(1.22)	-	(1.22)
At 31 March 2020	**250.04**	**-**	**600.00**	**0.09**	**(3179.05)**	**3539.28**	**1210.36**

for and on behalf of Board of Directors

(S N Pandey)
Managing Director
DIN - 08062182

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P. Shankar)
Company Secretary
ACS-7624

As per our attached Report of even date

For PADMANABHAN RAMANI & RAMANUJAM
Chartered Accountants
FRN: 002510S

P. Ranga Ramanujam
Partner
Membership No. 022201
UDIN : 20022201AAAABD5352

For SREEDHAR SURESH & RAJAGOPALAN LLP
Chartered Accountants
FRN: 003957S / S2000145

V. Suresh
Partner
Membership No. 026525
UDIN : 20026525AAAAAE2119

Place : Chennai
Date : 20-May-2020

Consolidated Statement of Cash Flows

For the year ended 31st March 2020

₹ in Crore

	Particulars	For the Year ended 31-Mar-20	For the Year ended 31-Mar-19
A	**Cash Flow from Operating Activities**		
1	**Profit Before Tax**	**(2994.85)**	**(290.01)**
2	**Adjustments for :**		
	Depreciation of property, plant and equipment	466.59	450.92
	Impairment of Property, Plant and Equipment / CWIP	54.42	0.93
	Unclaimed / Unspent liabilities written back	(3.34)	(5.24)
	Loss/(gain) on disposal of property, plant and equipments (net)	12.08	15.61
	Amortisation and impairment of intangible assets	1.59	1.61
	Amortisation of Government Grants	(0.47)	(4.96)
	Net Exchange Differences	32.50	6.54
	Provision for Capital work-in-progress written back	(2.38)	(9.18)
	Provision for Doubtful Debts, Advances and Claims	-	1.55
	Remeasurement of Defined Benefit Plans thru OCI	(60.95)	(2.74)
	Provision for Stores (net)	3.82	2.51
	Finance income	(18.01)	(29.20)
	Finance costs	413.25	419.76
	Share of Joint Ventures	(27.08)	(13.96)
3	**Operating Profit before Working Capital Changes (1+2)**	**(2122.83)**	**544.14**
4	**Change in Working Capital:**		
	(Excluding Cash & Cash equivalents)		
	Trade Receivables & Other receivables	154.20	(100.31)
	Inventories	2482.37	(100.81)
	Trade and Other Payables	(959.74)	(427.72)
	Provisions	(128.72)	(25.13)
	Change in Working Capital	**1548.11**	**(653.97)**
5	**Cash Generated From Operations (3+4)**	**(574.72)**	**(109.83)**
6	**Less : Taxes paid**	**(45.48)**	**(33.88)**
7	**Net Cash Flow from Operating Activities (5-6)**	**(620.20)**	**(143.71)**
B	**Cash Flow from Investing Activities:**		
	Proceeds from sale of Property, plant and equipment / Transfer of Assets	0.12	0.09
	Purchase of Property, plant and equipment	(987.07)	(1308.48)
	Interest received (Finance Income)	18.01	29.20
	Dividend Income	5.92	5.92
	Net Cash Generated/(Used) in Investing Activities:	**(963.02)**	**(1273.27)**
C	**Net Cash Flow From Financing Activities:**		
	Proceeds from Long-Term Borrowings	1464.65	909.16
	Repayments of Long-Term Borrowings (Including lease liability)	(350.49)	(1500.00)
	Proceeds from/(Repayments of) Short-Term Borrowings	858.71	2809.92
	Interest paid	(388.55)	(468.64)
	Dividends paid	-	(275.49)
	Dividend distribution tax paid	(1.22)	(57.84)
	Net Cash Generated/(Used) from Financing Activities:	**1583.10**	**1417.11**
D	**Net Change in Cash & cash equivalents (A+B+C)**	**(0.12)**	**0.13**
E - 1	Cash & cash equivalents as at end of the year	0.05	0.17
E - 2	Cash & cash equivalents as at beginning of the year	0.17	0.04
	NET CHANGE IN CASH & CASH EQUIVALENTS (E 1- E 2)	**(0.12)**	**0.13**

Notes:

1. Cash Flow Statement is prepared using Indirect method as per Indian Accounting Standard -7 Cash Flow Statement.
2. Figures for previous year have been regrouped wherever necessary for uniformity in presentation.

Reconciliation between opening and closing balances of financial liabilites with the net cash generated /(Used) from financing activities:

₹ in Crore

Financial Liabilities	**As at 31.03.2018**	**Cash Flow**	**Non-cash Changes**			**As at 31.03.2019**
			Lease Liability	**Interest Accrued but not due**	**Foreign exchange movement**	
Long Term Borrowings (Including Other Current Financial Liability)	2428.24	(693.17)	-	52.39	6.54	1741.61
Short Term Borrowings	2062.99	2809.92	-	1.06	-	4873.97

Financial Liabilities	**As at 31.03.2019**	**Cash Flow**	**Non-cash Changes**			**As at 31.03.2020**
			Lease Liability	**Interest Accrued but not due**	**Foreign exchange movement**	
Long Term Borrowings (Including Other Current Financial Liability)	1741.61	1100.19	13.97	24.70	32.50	2965.36
Short Term Borrowings	4873.97	858.71	-	-	-	5732.68

for and on behalf of Board of Directors

(S N Pandey)
Managing Director
DIN - 08062182

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P. Shankar)
Company Secretary
ACS-7624

As per our attached Report of even date

For PADMANABHAN RAMANI & RAMANUJAM
Chartered Accountants
FRN: 002510S

P. Ranga Ramanujam
Partner
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UDIN : 20022201AAAABD5352

For SREEDHAR SURESH & RAJAGOPALAN LLP
Chartered Accountants
FRN: 003957S / S2000145

V. Suresh
Partner
Membership No. 026525
UDIN : 20026525AAAAAE2119

Place : Chennai
Date : 20-May-2020

Note-1A : Corporate Information and Significant Accounting Policies

I. Corporate Information

The consolidated financial statements of "Chennai Petroleum Corporation Limited" ("the Company" or "CPCL") are for the year ended 31st March, 2020.

CPCL is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at 536, Anna Salai, Teynampet, Chennai- 600018. (CIN – L40101TN1965GOI005389)

CPCL together with its joint ventures and associates is hereinafter referred to as Group.

The Group is in the business of refining crude oil to produce & supply various petroleum products, manufacture and sale of lubricating oil additives.

Information on related party relationships of the Group is provided in Note-34.

The consolidated financial statements were approved for issue in accordance with a resolution of the Board of directors on 20th May, 2020.

II. Significant Accounting Policies

1 BASIS OF PREPARATION / CONSOLIDATION

1.1. The financial statements have been prepared in accordance with the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ("Act") read with the Companies (Indian Accounting Standards) Rules and other relevant provisions of the Act and Rules there under, as amended from time to time.

The Consolidated financial statements have been prepared on historical cost convention, accrual and going concern basis except where Ind AS requires a different accounting treatment like fair value / amortized cost / present value / Realizable value. These accounting policies have been applied consistently over all periods presented in these financial statements

The consolidated financial statements are presented in Indian Rupees (INR) which is Group's presentation and functional currency and all values are rounded to the nearest Crore (up to two decimals) except when otherwise indicated.

1.2. BASIS OF CONSOLIDATION

1.2.1. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the entities.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity then discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

1.2.2. Interest in Joint operations

For the interest in joint operations, the Group recognises:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Share of the revenue from the sale of the output by the joint operation
- Expenses, including its share of any expenses incurred jointly

2. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

2.1. Property, Plant and Equipment (PPE)

2.1.1. The Property, Plant & Equipment (PPE) comprises of Tangible assets and Capital Work in progress. PPE (except freehold lands which are stated at historical cost) are stated at cost, net of tax credit availed and after reducing accumulated depreciation and cumulative impairment losses, if any. The cost of PPE comprises of its purchase price, construction cost, other directly attributable costs and decommissioning costs as the case may be. These costs are capitalized until the asset is ready for use and includes borrowing cost capitalized in accordance with the Group's accounting policy.

2.1.2. The cost of an item of PPE is recognized as an asset if, and only if:

(i) it is probable that future economic benefits associated with the item will flow to the entity; and

(ii) the cost of the item can be measured reliably.

2.1.3. Technical know-how / license fee relating to plants/ facilities and specific software that are integral part of the related hardware are capitalised as part of cost of the underlying asset.

2.1.4. Spare parts are capitalized when they meet the definition of PPE, i.e., when the Group intends to use these during more than a period of 12 months.

2.1.5. The acquisition of some items of PPE although not, directly increasing the future economic benefits of any particular existing item of PPE, may be necessary for the Group to obtain the future economic benefits from its other assets. Such items of PPE are recognized as assets.

2.1.6. On transition to Ind AS, the Group has elected to continue with the carrying value of all of its PPE recognised as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the PPE.

2.2. Capital work in progress (CWIP)

A. Construction Period Expenses:

2.2.1. Revenue expenses exclusively attributable to projects incurred during construction period are capitalized. However, such expenses in respect of capital facilities being executed along with the production/operations simultaneously and where the expenses are not attributable exclusively are charged to revenue.

2.2.2. Financing cost incurred during construction period on loans specifically borrowed and utilized for projects is capitalized on quarterly basis upto the date of capitalization.

2.2.3. Financing cost, if any, incurred on General Borrowings used for projects is capitalized at the weighted average cost. The amount of such borrowings is determined on quarterly basis after setting off the amount of internal accruals.

B. Capital Stores

2.2.4. Capital stores are valued at cost. Specific provision is made for likely diminution in value, wherever required.

2.3. Intangible assets

2.3.1. Technical know-how / license fee relating to production process and process design are recognized as Intangible Assets and amortized on a straight line basis over the life of the underlying plant / facility.

2.3.2. Expenditure incurred on Research & Development, other than on capital account, is charged to revenue.

2.3.3. Cost incurred on computer software / licenses purchased resulting in future economic benefits, other than specific software that are integral part of the related hardware, are capitalised as Intangible Asset and amortised over a period of three years beginning from the quarter in which such software / licenses are capitalised. However, where such computer software / license is under development or is not yet ready for use, accumulated cost incurred on such items are accounted as "Intangible Assets Under Development".

2.3.4. Right of ways with Indefinite useful lives are not amortised, but tested for impairment annually at the cash-generating unit level. The assessment of Indefinite life is reviewed annually to determine whether the Indefinite life continues to be supportable. If not, the change in useful life from Indefinite to finite is made on a prospective basis.

2.3.5. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

2.3.6. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life on straight line basis and assessed for impairment whenever there is an Indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.

2.3.7. On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognized as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

2.4. Depreciation / Amortisation

2.4.1. Cost of PPE (net of residual value) excluding freehold land is depreciated on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in case of the following assets:

a) Useful life of 25 years for solar power plant considered based on technical assessment

b) In case of specific agreements e.g. enabling assets etc., useful life as per agreement or Schedule II, whichever is earlier

c) In case of immovable assets constructed on leasehold land, useful life as per Schedule-II or lease period of land (including renewable period), whichever is lower

d) In other cases Spare parts etc., useful life is considered based on the technical assessment

Depreciation / Amortisation is charged pro-rata on quarterly basis on assets, from/upto the quarter of capitalization / sale, disposal / or earmarked for disposal. Residual value is generally considered between 0 to 5% of cost of assets. Further, in case of catalyst with noble metal content, residual value is considered based on the cost of metal content.

The Group depreciates components of the main asset that are significant in value and have different useful lives as compared to the main asset separately. The Group depreciates spares over the life of the spares from the date it is available for use.

2.4.2. PPE, costing up to ₹ 5,000/- per item are depreciated fully in the year of capitalization. Further, spares, components like catalyst excluding noble metal content and major overhaul/inspection are also depreciated fully over their respective useful life.

2.4.3. The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.5. Derecognition

2.5.1. PPE and Intangible Assets are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE or Intangible Asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

3. LEASES

3.1. The Group assesses at contract inception whether a contract is, or contains, A lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.1.1. Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, except for leases where the Group has elected to use practical expedient not to separate non-lease payments from the calculation of the lease liability and ROU asset where the entire consideration is treated as lease component.

3.1.2. Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset as per 2.4 above.

3.1.3. Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a re-measurement of the lease liability with a corresponding adjustment to the ROU asset. Any gain or loss on modification is recognized in the Statement of Profit & Loss. However, the modifications that increase the scope of the lease by adding the right to use one or more underlying assets at a price commensurate with the standalone selling price are accounted for as a separate new lease. In case of lease modifications, discounting rates used for measurement of lease liability and ROU assets is also suitably adjusted.

3.1.4. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of Property, Plant and Equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

3.2. Leases as lessor (assets given on lease)

3.2.1. When the Group acts as lessor, it determines at the lease commencement whether lease is finance lease or operating lease.

3.2.2. Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern of the benefit derived from the asset given on lease.

3.2.3. All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Principal component of the lease receipts are adjusted against outstanding receivables and interest income is accounted by applying the interest rate implicit in the lease to the net investment. If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue to allocate the consideration in the contract.

3.2.4. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Group applies the short term lease exemption described above, then it classifies the sub-lease as an operating lease.

4. IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses, at each reporting date, whether there is an Indication that an asset may be impaired. If any Indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an Individual asset, unless the asset does not generate cash inflows that are largely Independent of those from other assets or groups of assets.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the Individual assets are allocated. These budgets and forecast calculations generally cover a period of 15 years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifteenth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts,the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

An assessment is made at each reporting date to determine whether there is an Indication that previously recognised impairment losses no longer exist or have decreased. If such Indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

5. BORROWING COSTS

Borrowing costs that are attributable to the acquisition or 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. Capitalisation of borrowing costs is suspended when active development activity on the qualifying assets is interrupted other than on temporary basis and charged to the statement of Profit and Loss during such extended periods. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which the same are incurred.

6. FOREIGN CURRENCY TRANSACTIONS

6.1. The Group's financial statements are presented in Indian Rupee (₹), which is also it's functional currency.

6.2. Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transactions.

6.3. Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.,) outstanding at the end of reporting period, are translated at exchange rates prevailing on that date.

6.4. Non-monetary items denominated in foreign currency,(such as PPE, intangible assets investments, capital / revenue advances other than expected to be settled in cash etc.) are recorded at the exchange rate prevailing on the date of the transaction, other than those measured at fair value.

6.5. Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of profit and loss either under the head foreign exchange fluctuation or interest cost, as the case may be.

7. INVENTORIES

7.1. Raw Materials & Stock-in-Process

7.1.1. Raw materials including Crude oil are valued at cost determined on weighted average basis or net realizable value, whichever is lower.

7.1.2. Crude oil in Transit is valued at cost or net realizable value, whichever is lower.

7.1.3. Stock in Process is valued at raw materials cost plus fifty percent conversion costs as applicable or net realizable value, whichever is lower.

7.1.4. Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

7.2. Finished Products and Stock-in-Trade

7.2.1. Finished products and stock in trade are valued at cost determined on 'First in First Out' basis or net realizable value, whichever is lower. Cost of Finished Products produced is determined based on raw materials cost and processing cost.

7.2.2. Imported products in transit are valued at cost or net realisable value whichever is lower.

7.3. Stores and Spares

7.3.1. Stores and spares are valued at cost or net realisable value whichever is lower.

7.3.2. In case of declared surplus/obsolete stores and spares, provision is made for likely loss on sale / disposal and charged to revenue. Further, provision is made to the extent of 97 per cent of the value of non-moving inventory of stores and spares (excluding maintenance, repair & operation items, pumps and compressors) which have not moved for more than six years. Stores and spares in transit are valued at cost.

7.3.3. Spent catalysts (including noble metal content thereof) are valued at lower of the weighted average cost or net realizable value.

8. PROVISIONS, CONTINGENT LIABILITIES, CONTINGENT ASSETS AND CAPITAL COMMITMENTS

8.1. Provisions

8.1.1. Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

8.1.2. When the Group expects some or all of a provision to be recovered from a third party, a receivable is recognised as a separate asset, but only when it is virtually certain and amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of reimbursement, if any.

8.1.3. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. Increase in carrying amount of provisions, where interest rate is specified, are accounted in finance cost to the extent of increase attributable to passage of time.

8.2. Contingent Liabilities and Contingent Assets

8.2.1. Show-cause Notices issued by various Government Authorities are generally not considered as obligation.

8.2.2. When the demand notices are raised against such show-cause notices and are disputed by the Group, these are classified as disputed obligations.

8.2.3. The treatment in respect of disputed obligations are as under:

a) a provision is recognized in respect of present obligations where the outflow of resources is probable as per 8.1.1 above;

b) all other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

8.2.4. Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts and reviewed at each balance sheet date to reflect the current management estimate.

8.2.5. Estimated amount of contracts remaining to be executed on capital account are considered for disclosure.

8.2.6. A contingent asset is disclosed where an inflow of economic benefits is probable.

9. REVENUE RECOGNITION

9.1. The Group is in the business of Refining crude oil to produce and supply various petroleum products and it earns revenue primarily from sale of petroleum products.

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Group has generally concluded that it is the principal in its revenue arrangements, except a few agency services, because it typically controls the goods or services before transferring them to the customer.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of products, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

9.2. Revenue from the sale of petroleum products, petrochemical products, crude and gas are recognised at a point in time, generally upon delivery of the products.

9.3. The Group has assumed that the recovery of excise duty flows to the Group on its own account and hence, revenue includes excise duty. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) / Goods & Service Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

9.4. Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

9.5. Interest income from financial assets is recognised using effective interest rate (EIR) method.

9.6. Dividend income is recognized when the Group's right to receive dividend is established.

9.7. Claims (including interest on outstanding claims) are recognized at cost when there is reasonable certainty regarding its ultimate collection. Insurance claims are recognised based on acceptance.

9.8. 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.

10. EXCISE DUTY

Excise duty is accounted on the basis of both, payments made in respect of goods cleared as also provision made for goods lying in stock. Value of stock includes excise duty payable / paid on finished goods wherever applicable.

11. TAXES ON INCOME

11.1. Current income tax

Provision for current tax is made as per the provisions of the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

11.2. Deferred tax

11.2.1. Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

11.2.2. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

11.2.3. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

11.2.4. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

12. EMPLOYEE BENEFITS

12.1. Short Term Benefits

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

12.2. Post-Employment Benefits and Other Long Term Employee Benefits

a) The Group's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to the Statement of Profit and Loss/CWIP. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, is made good by the Group and charged to the Statement of Profit and Loss/ CWIP.

b) The Group operates defined benefit plans for Gratuity and Post Retirement Medical Benefits. 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. Out of these plans, Gratuity is administered through a trust.

c) Obligations on other long term employee benefits viz. leave encashment and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year. Out of these obligations, leave encashment obligations are funded through qualifying insurance policies made with insurance companies / corporation.

d) The Group also operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate Trust.

12.3. Termination Benefits

Payments made under Voluntary Retirement Scheme are charged to the Statement of Profit and Loss on incurrence.

12.4. Remeasurements

Remeasurements, comprising of actuarial gains and losses, the effect of the changes in asset ceiling, (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which it occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Remeasurements in respect of other long term benefits are recognised in the statement of profit and loss.

Past service cost are recognised in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring cost

  Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service cost comprising current service cost, past-service cost, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

13. GRANTS

13.1. Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

13.2. Grant Relating to assets (Capital Grants)

In case of grants relating to depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Deferred income which are recognized as "Other Operating Revenues" in the Statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

13.3. Grant Related to Income (Revenue Grants)

Revenue grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the entity recognises as expenses the related cost for which the grants are intended to compensate.

The Group has treated waiver of duty under EPCG scheme as revenue grant as the condition of meeting the export obligations is a primary condition of availing the grant as per the EPCG Scheme. The above grant is set up by recording the assets at gross value and corresponding grant amount as deferred income. Such grant is recognised in "Other Operating Revenues" in proportion of export obligations actually fulfilled during the accounting period.

Revenue grants are generally recorded under "Other Operating Revenues" except some grants, which are netted off with the related expense.

13.4. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate or NIL interest rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities. Classification of the grant is made considering the terms and condition of the grant i.e. whether grants relates to assets or otherwise.

14. CURRENT VERSUS NON-CURRENT CLASSIFICATION

14.1. The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

14.2. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period,

  or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

  All other assets are classified as non-current.

14.3. A liability is treated as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

  All other liabilities are classified as non-current.

15. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

15.1. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the financial asset. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial Assets at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at fair value through other comprehensive income (FVTOCI)
- Financial assets and derivatives at fair value through profit or loss (FVTPL)

15.1.1. Financial Assets at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

15.1.2. Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) the asset's contractual cash flows represent solely payments of principal and interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

15.1.3. Equity instrument

A. Equity investments at FVTOCI (Other than subsidiaries, JVs and associates)

All equity investments in scope of Ind AS 109 are measured at fair value. The Group has made an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The classification is made on initial recognition/transition and is irrevocable.

There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investments.

B. Equity investments in JVs and associates

Investment in joint ventures and associates are accounted for at cost in consolidated financial statements and the same are tested for impairment in case of any indication of impairment.

C. Dividend income is recognized in the Statement of Profit and Loss when the Group's right to receive dividend is established.

15.1.4. Debt Instruments and derivatives at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Interest income on such instruments has been presented under interest income.

15.1.5. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

15.1.6. Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;

b. Financial guarantee contracts which are not measured as at FVTPL

c. Lease receivables under Ind AS 116

Simplified Approach

The Group follows 'simplified approach' for recognition of impairment loss allowance, if any, on Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

General Approach

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed. On that basis, the Group estimates provision on trade receivables at the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- **Financial assets measured as at amortised cost:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- **Debt instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

15.2. Financial liabilities

15.2.1. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of liabilities measured at amortised cost net of directly attributable transaction costs. In case of Financial Liabilities measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of financial liabilities are recognised immediately in the statement of profit and loss.

The Group's financial liabilities include trade and other payables and loans and borrowings including derivative financial instruments.

15.2.2. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

A. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through the statement of Profit and Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of Profit and Loss.

B. Financial liabilities at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Gains and losses are recognised in the statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

15.2.3. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

15.3. Embedded Derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

15.4. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

15.5. Derivative instrument Initial recognition / Subsequent measurement

15.5.1. The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The accounting for subsequent changes in fair value of derivatives depends on the designation or non- designation of derivative as hedging instruments. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

15.5.2. Derivative that are designated as hedge instrument

The Group designates certain foreign exchange forward contracts for hedging foreign currency risk of recognized foreign currency loans and liabilities. The Group generally designates the whole forward contract as hedging instrument. These hedges are accounted for as cash flow hedges. These hedging instruments are as per the policies approved by the Board of Directors.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that the hedge is highly effective throughout the financial reporting periods for which it was designated.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in Other Comprehensive Income and accumulated under the heading Cash Flow hedge reserve within Equity. The gain or loss relating to the ineffective portion is recognized immediately in the statement of profit and loss and included in the Other Income or Other Expenses as Gain on Derivatives or Loss on Derivatives respectively.

Amounts previously recognized in OCI and accumulated in equity relating to effective portion are reclassified to Statement of Profit and Loss in the periods when the hedged item affects profit or loss, in the same line item as the recognized hedged item or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the statement of profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting.

15.5.3. Derivative that are not designated as hedge instrument

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through the Statement of Profit and Loss and are included in the Other Income or Other Expenses as Gain on Derivatives or Loss on Derivatives respectively.

15.6. Commodity contracts

Commodity contracts that, are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

16. FAIR VALUE MEASUREMENT

16.1. The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

16.2. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

16.3. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

16.4. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

16.5. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

16.6. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

In case of Level 3 valuations, External valuers are also involved in some cases for valuation of assets and liabilities, such as unquoted financial assets, loans to related parties etc.,

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

17. EARNINGS PER SHARE

The basic earnings per share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

19. CASH FLOW STATEMENT

Cash flow statement are reported using the Indirect method, whereby net profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

III. New Standards/amendments and other changes effective April 1, 2019

Ind AS 116, Leases

The Group has adopted this Ind AS w.e.f April 1, 2019. The effect of this standard along with relevant disclosures is provided in Note-33.

Amendments to Ind AS 12, Income taxes Appendix C - Uncertainty over Income Tax Treatment

The Group has adopted the amendments w.e.f April 1, 2019. The effect of this amendment is not material.

Amendment to Ind AS 19 –Employee Benefits relating to Plan amendment, curtailment or settlement

The Group has adopted the amendments w.e.f April 1, 2019. As there is no major change in employee benefit plans, the effect of this amendment is not material.

Amendment to Ind AS 23, Borrowing Costs

The Group has adopted the amendments w.e.f April 1, 2019. The effect of this amendment is not material.

IV. STANDARDS ISSUED BUT NOT YET EFFECTIVE

NIL

Note – 1B : SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. These include recognition and measurement of financial instruments, estimates of useful life and residual value of Property, Plant and Equipment and intangible assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, estimated quantities of noble metals, measurement of employee benefits, actuarial assumptions, provisions etc.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

JUDGEMENTS

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans / Other Long term employee benefits

The cost of the defined benefit plans and other long term employee benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. The management considers the interest rates of government securities based on expected settlement period of various plans.

Further details about various employee benefit obligations are given in Note 32.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model based on level-2 and level-3 inputs. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as price estimates, volume estimates, rate estimates etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also refer Note-35 for further disclosures of estimates and assumptions.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less cost of disposal used to determine the recoverable amounts of the impaired assets are not based on observable market data, rather, management's best estimates.

The value in use calculation is based on a DCF model. The cash flows do not include impact of significant future investments that may enhance the asset's performance of the CGU being tested. The results of impairment test are sensitive to changes in key judgements, such as changes in commodity prices, future changes in alternate use of assets etc, which could result in increase or decrease of the recoverable amounts and result in additional impairment charges or recovery of impairment charged.

Refer Note 43.1 on impairment loss recognized during the year.

Note – 2 : PROPERTY, PLANT AND EQUIPMENT

Current Year: ₹ in Crore

	Particulars	Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant and Equipment	Office Equipments	Transport Equipments	Furniture and Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	ROU asset	Total
		Note: A			Note: B				Note: C			Note: B
GROSS BLOCK	Gross Block as at 1st April 2019	44.95	5.92	182.80	8033.50	33.99	12.80	7.23	-	20.30	-	**8341.49**
	Additions during the Year (Note: E)	4.00	-	0.90	555.96	9.34	-	0.88	-	0.02	16.80	**587.90**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	(4.33)	(28.97)	(5.24)	(0.90)	(1.01)	-	(0.01)	-	**(40.46)**
	Gross Block as at 31st March 2020	**48.95**	**5.92**	**179.37**	**8560.49**	**38.09**	**11.90**	**7.10**	**-**	**20.31**	**16.80**	**8888.93**
DEPRECIATION, AMORTISATION AND IMPAIRMENT	Depreciation and Amortisation as at 1st April 2019	-	0.28	26.05	1266.66	18.76	2.66	2.96	-	4.26	-	**1321.63**
	Depreciation and Amortisation during the Year:	-	0.07	6.59	446.51	6.86	1.06	0.71	-	0.95	3.84	**466.59**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	(2.37)	(22.14)	(4.76)	(0.84)	(0.53)	-	(0.01)	-	**(30.65)**
	Total Depreciation and Amortisation upto 31st March 2020	**-**	**0.35**	**30.27**	**1691.03**	**20.86**	**2.88**	**3.14**	**-**	**5.20**	**3.84**	**1757.57**
	Total Impairment Loss as at 1st April 2019	-	-	14.77	50.62	-	-	-	-	0.19	-	**65.58**
	Impairment Loss during the Year (Note: D)	-	-	4.24	48.95	-	-	-	-	0.08	-	**53.27**
	Impairment loss reversed during the Year	-	-	-	-	-	-	-	-	-	-	**-**
	Total Impairment Loss upto 31st March 2020	**-**	**-**	**19.01**	**99.57**	**-**	**-**	**-**	**-**	**0.27**	**-**	**118.85**
NET BLOCK	**AS AT 31st March 2020**	**48.95**	**5.57**	**130.09**	**6769.89**	**17.23**	**9.02**	**3.96**	**-**	**14.84**	**12.96**	**7012.51**
	AS AT 31st March 2019	44.95	5.64	141.98	6716.22	15.23	10.14	4.27	-	15.85	-	6954.28

Previous Year:

₹ in Crore

	Particulars	Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant and Equipment	Office Equipments	Transport Equipments	Furniture and Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	ROU asset	Total
GROSS BLOCK	Gross Block as at 1st April 2018	44.31	5.92	182.79	6528.73	22.21	10.81	13.64	-	20.30	-	**6828.71**
	Additions during the Year (Note: E)	0.64	-	0.01	1511.99	7.07	1.69	1.32	-	-	-	**1522.72**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-	(7.22)	4.71	0.30	(7.73)	-	-	-	**(9.94)**
	Gross Block as at 31st March 2019	**44.95**	**5.92**	**182.80**	**8033.50**	**33.99**	**12.80**	**7.23**	**-**	**20.30**	**-**	**8341.49**
DEPRECIATION, AMORTISATION AND IMPAIRMENT	Depreciation and Amortisation as at 1st April 2018	-	0.21	20.11	832.37	11.16	1.68	5.37	-	3.24	-	**874.14**
	Depreciation and Amortisation during the Year:	-	0.07	5.94	435.34	6.67	0.98	0.90	-	1.02	-	**450.92**
	Disposals/ Deductions/ Transfers to Held for Sale/Reclassifications	-	-	-	(1.05)	0.93	-	(3.31)	-	-	-	**(3.43)**
	Total Depreciation and Amortisation upto 31st March 2019	**-**	**0.28**	**26.05**	**1266.66**	**18.76**	**2.66**	**2.96**	**-**	**4.26**	**-**	**1321.63**
	Total Impairment Loss as at 1st April 2018	-	-	14.76	50.88	-	-	-	-	0.19	-	**65.83**
	Impairment Loss during the Year (Note: D)	-	-	0.01	(0.26)	-	-	-	-	-	-	**(0.25)**
	Impairment loss reversed during the Year	-	-	-	-	-	-	-	-	-	-	**-**
	Total Impairment Loss upto 31st March 2019	**-**	**-**	**14.77**	**50.62**	**-**	**-**	**-**	**-**	**0.19**	**-**	**65.58**
NET BLOCK	**AS AT 31st March 2019**	**44.95**	**5.64**	**141.98**	**6716.22**	**15.23**	**10.14**	**4.27**	**-**	**15.85**	**-**	**6954.28**
	AS AT 31st March 2018	44.31	5.71	147.92	5645.48	11.05	9.13	8.27	-	16.87	**-**	**5888.74**

A. Gross block of Land includes ₹ 0.18 Crore deposited towards 50.93 acres of Land for which assignment deed is yet to be received from Govt. of TamilNadu.

B. The cost of assets includes EPCG benefit (net of CENVAT), net of VAT CREDIT/CENVAT/GST ITC wherever applicable

C. Represents 5/24 share of total cost of the Railway Siding jointly owned by the Company along with Madras Fertilizers Limited, Madras Petrochem Limited, Steel Authority of India Limited and Rashtriya Ispat Nigam Limited.Net block of Railway Sidings - ₹ 0.003 Crore (2019 : ₹ 0.003 Crore)

D. Impairment loss pertains to Cauvery Basin Refinery (refer Note 43.1)

E. Additions to Gross Block Includes:

Asset Particulars	Borrowing Cost	
	As at 31-Mar-20	**As at 31-Mar-19**
Plant and Equipment	10.92	97.06
Total	**10.92**	**97.06**

Details of assets given on lease included in the above:

₹ in Crore

Asset Particulars	Gross Block as at 01.04.2019	Accumulated Depreciation & Amortisation	Accumulated Impairment loss	W.D.V as at March 31, 2020	W.D.V as at March 31, 2019
Land	5.29	-	-	**5.29**	5.29
Buildings	0.22	0.03	-	**0.19**	0.20
Plant and Equipment	12.17	2.26	-	**9.91**	10.41
Total	**17.68**	**2.29**	**-**	**15.39**	**15.90**

Note – 2.1 : CAPITAL WORK-IN-PROGRESS

₹ in Crore

Sl.No	Particulars	Note		As at 31-Mar-20	As at 31-Mar-19
1	**Construction Work in Progress - Property,Plant & Equipment**				
	(Including unallocated capital expenditure, materials at site)				
	Balance as at beginning of the year		1044.25		1414.47
	Add: Additions during the year		798.79		1141.77
	Less: Allocated/ Capitalised during the year		599.79		1511.99
			1243.25		1044.25
	Less: Provision for Capital Losses		1.51		3.90
	Less: Impairment Loss	**A**	2.33		1.18
				1239.41	1039.17
2	**Capital stores balance as at beginning of the year**		24.99		11.26
	Add: Additions during the year		83.00		107.61
	Less: Allocated during the year		97.69		93.88
			10.30		24.99
	Less: Provision for Capital Losses		3.01		3.01
	Capital stores			**7.29**	21.98
3	**Capital Goods in Transit**			**8.08**	-
4	**Construction Period Expenses pending allocation:**				
	Balance as at beginning of the year		60.34		
	Net expenditure during the year (Note -"2.2")		79.43		72.94
			139.77		72.94
	Less: Allocated during the year		19.04		12.60
				120.73	60.34
	TOTAL	**B**		**1375.51**	**1121.49**

Notes:

A Impairment loss pertains to Cauvery Basin Refinery (refer Note 43.1)

B The cost of assets includes EPCG benefit (net of CENVAT), net of VAT CREDIT/CENVAT/GST ITC wherever applicable

Note – 2.2 : CONSTRUCTION PERIOD EXPENSES(NET) DURING THE YEAR

₹ in Crore

	Particulars	As at 31-Mar-20	As at 31-Mar-19
1	Employee Benefit expenses	27.33	27.84
2	Power & Fuel	1.39	2.32
3	Finance Cost	48.28	41.55
4	Travelling Expenses and Others	2.43	1.23
	Net Expenditure during the year	**79.43**	**72.94**
	Specific borrowings eligible for capitalisation (Rate in %)	3.15% to 8.4%	4.47% to 9.65%

Note – 3 : INTANGIBLE ASSETS

(1) Intangible assets with definite useful life

Current Year:

₹ in Crore

	Particulars	Computer Software	Technical Know-How, Royalty and Licenses	Total
GROSS BLOCK	Gross Block as at 1st April 2019	0.91	26.71	27.62
	Additions during the Year	0.17	-	0.17
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Gross Block as at 31st March 2020	**1.08**	**26.71**	**27.79**
AMORTISATION AND IMPAIRMENT	Amortisation as at 1st April 2019	0.81	3.77	4.58
	Amortisation during the Year	0.09	1.50	1.59
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Total and Amortisation upto 31st March 2020	**0.90**	**5.27**	**6.17**
	Total Impairment Loss as at 1st April 2019	0.01	-	0.01
	Impairment Loss during the Year (A)	0.01	-	0.01
	Impairment loss reversed during the Year	-	-	-
	Total Impairment Loss upto 31st March 2020	**0.02**	**-**	**0.02**
NET BLOCK	**AS AT 31st March 2020**	**0.16**	**21.44**	**21.60**
	AS AT 31st March 2019	0.09	22.94	23.03

Previous Year:

₹ in Crore

	Particulars	Computer Software	Technical Know-How, Royalty and Licenses	Total
GROSS BLOCK	Gross Block as at 1st April 2018	0.91	26.86	27.77
	Additions during the Year	-	(0.15)	(0.15)
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Gross Block as at 31st March 2019	**0.91**	**26.71**	**27.62**

₹ in Crore

	Particulars	Computer Software	Technical Know-How, Royalty and Licenses	Total
AMORTISATION AND IMPAIRMENT	Amortisation as at 1st April 2018	0.69	2.28	2.97
	Amortisation during the Year	0.12	1.49	1.61
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Total and Amortisation upto 31st March 2019	**0.81**	**3.77**	**4.58**
	Total Impairment Loss as at 1st April 2018	0.01	-	0.01
	Impairment Loss during the Year (A)	-	-	-
	Impairment loss reversed during the Year	-	-	-
	Total Impairment Loss upto 31st March 2019	**0.01**	**-**	**0.01**
NET BLOCK	**AS AT 31st March 2019**	**0.09**	**22.94**	**23.03**
	AS AT 31st March 2018	0.21	24.58	24.79

(2) Intangible assets with indefinite useful life

Current year:

₹ in Crore

	Particulars	Right of Way
GROSS BLOCK	Gross Block as at 1st April 2019	0.27
	Additions during the Year	-
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-
	Gross Block as at 31st March 2020	**0.27**
AMORTISATION AND IMPAIRMENT	Total Impairment Loss as at 1st April 2019	0.27
	Impairment Loss during the Year (A)	-
	Impairment loss reversed during the Year	-
	Total Impairment Loss upto 31st March 2020	**0.27**
NET BLOCK	**AS AT 31st March 2020**	**-**
	AS AT 31st March 2019	-

Previous year:

₹ in Crore

	Particulars	Right of Way
GROSS BLOCK	Gross Block as at 1st April 2018	0.27
	Additions during the Year	-
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-
	Gross Block as at 31st March 2019	**0.27**

₹ in Crore

	Particulars	Right of Way
AMORTISATION AND IMPAIRMENT	Total Impairment Loss as at 1st April 2018	0.27
	Impairment Loss during the Year (A)	-
	Impairment loss reversed during the Year	-
	Total Impairment Loss upto 31st March 2019	**0.27**
NET BLOCK	**AS AT 31st March 2019**	**-**
	AS AT 31st March 2018	-

Note:

A Impairment loss pertains to Cauvery Basin Refinery (refer Note 43.1)

Note – 3.1 : INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Crore

Particulars		As at 31-Mar-20	As at 31-Mar-19
Work in Progress - Intangible Asset:			
Balance as at beginning of the year	77.99		-
Add: Net expenditure during the year	144.30		77.99
		222.29	77.99
TOTAL		**222.29**	**77.99**

Note: Pertains to Property, Plant and Equipment under construction (Refer Note 43.2)

Note – 4 : EQUITY INVESTMENT IN JOINT VENTURES

₹ in Crore

Sl. No	Particulars	No. and Particulars	Face Value per share (₹)	Non-current As at 31-Mar-20	Non-current As at 31-Mar-19
I	**Investments in equity shares**				
1	**Unquoted:**				
a)	**Investment in Joint Venture Companies:**				
	i) Indian Additives Ltd.	1183401 Equity Shares fully paid	100	11.83	11.83
	Add: Share of Other Equity (inclusive of OCI)			167.09	147.15
	ii) National Aromatics and Petrochemical Corporation Limited	25000 Equity Shares fully paid	10	0.03	0.03
	Less: Impairment in value of investment			0.03	0.03
				-	-
	TOTAL			**178.92**	**158.98**
	Aggregate value of unquoted investments			178.95	159.01
	Aggregate amount of provision for value of investments			0.03	0.03

Note – 4.1 : OTHER INVESTMENTS

Sl. No	Particulars	No. and Particulars	Face Value per share (₹)	Non-current As at 31-Mar-20	Non-current As at 31-Mar-19
I	**Other Investments:**				
	Investments at fair value through OCI (fully paid):				
a)	Biotech Consortium India Ltd	100000 Equity Shares fully paid	10	0.10	0.10
b)	MRL Industrial Cooperative Service Society Ltd	9000 Shares fully paid	10	0.01	0.01
	TOTAL		**A**	**0.11**	**0.11**
	Aggregate value of unquoted investments			0.11	0.11
	Aggregate amount of impairment in value of investments			-	-

Note:

A Fair Value approximates carrying value

Note – 5 : LOANS

₹ in Crore

Sl. No	Particulars	Note		Non-current As at 31-Mar-20	Non-current As at 31-Mar-19		Current As at 31-Mar-20	Current As at 31-Mar-19
1	**Security Deposits**							
	To Others							
	i) Unsecured, Considered Good			1.24	1.12		21.45	11.22
2	**Loans Receivables:**							
	To Related Parties							
	i) Considered Good -Secured	A.1	0.02		0.03	0.01		0.01
	ii) Considered Good -Unsecured	A.2	0.08		0.06	0.03		0.02
			0.10		0.09	0.04		0.03
	To Others							
	i) Considered Good -Secured		38.18		29.53	5.93		5.84
	ii) Considered Good -Unsecured		11.74		14.47	7.28		5.69
			49.92		44.00	13.21		11.53
	Sub Total			50.02	44.09		13.25	11.56
	TOTAL			**51.26**	**45.21**		**34.70**	**22.78**
Notes:								
A.1	**Includes:**							
1	Due from Directors			-	0.01		-	-
2	Due from Officers			**0.02**	0.02		**0.01**	0.01
A.2	**Includes:**							
1	Due from Directors			**0.02**	-		**0.01**	-
2	Due from Officers			**0.06**	0.06		**0.02**	0.02

In compliance of Regulation 34(3) of SEBI(LODR) Regulations 2015, the required information is given as under:

₹ in Crore

		Amount as on		Maximum Amount outstanding during the year ended	
		As at 31-Mar-20	**As at 31-Mar-19**	**As at 31-Mar-20**	**As at 31-Mar-19**
I.	**Loans and Advances in the nature of loans:**				
A)	To Parent Company	-	-	-	-
B)	To Associates /Joint Venture	-	-	-	-
C)	To Firms/Companies in which directors are interested	-	-	-	-

Note – 6 : OTHER FINANCIAL ASSETS

₹ in Crore

Sl. No	Particulars	Non-Current			Current	
		As at 31-Mar-20	**As at 31-Mar-19**		**As at 31-Mar-20**	**As at 31-Mar-19**
1	**Deposit for Leave Encashment Fund**	80.83	76.63		-	-
2	**Interest Accrued on Investments/ Bank Deposits/ Loans**	-	-		-	0.05
3	**Claims Recoverable :**					
	a) From Related Parties					
	i) Unsecured, Considered Good	-	-	1.17		-
	ii) Unsecured, Considered Doubtful	-	-	22.66		22.61
		-	**-**	**23.83**		**22.61**
	b) Others					
	i) Unsecured, Considered Good	-	-	46.89		15.32
	ii) Unsecured, Considered Doubtful	-	-	7.02		7.03
		-	**-**	**53.91**		**22.35**
	Less : Provision for Doubtful Claims	-	-	29.68		29.64
	Sub Total	-	-		48.06	15.32
4	**Other Financial Assets**	-	-		4.84	5.33
	TOTAL	**80.83**	**76.63**		**52.90**	**20.70**

Note – 7 : INCOME TAX ASSETS/ LIABILITIES (NET)

₹ in Crore

Particulars	Non - Current			Current		
	As at 31-Mar-20		**As at 31-Mar-19**	**As at 31-Mar-20**		**As at 31-Mar-19**
Tax Asset/ (Liability) - Net (Current)						
Advance payments for Current Tax	704.07		700.11	-	-	-
Less: Provision for Current Tax	654.63		654.63	-	-	-
Current Tax Asset/ (Liability) - Net		49.44	45.48			-
TOTAL		**49.44**	**45.48**			**-**

(I) Reconciliation between the average effective tax rate and the applicable tax rate is as below:

	As at 31-Mar-20	As at 31-Mar-19
Accounting profit		
Tax at the applicable tax rate of 34.94% (31.3.2019: 34.94%)	**34.94%**	**34.94%**
Tax effect of income that are not taxable in determining taxable profit:	0.03%	1.41%
Tax effect on share of results of joint venture:	0.26%	0.96%
Tax effect of expenses that are not deductible in determining taxable profit:	(0.42%)	(8.12%)
Tax expense /income related to prior years :	(3.16%)	-
Tax effect on recognition of previously unrecognised allowances / disallowances :	(0.31%)	-
Tax expense	**31.34%**	**29.19%**

(II) In compliance of Ind AS 12 on "Income Taxes", the item wise details of deferred tax liability (net) are as under:

	As at 31-Mar-18	Provided during the Year	Provided during the Year in OCI	As at 31-Mar-19	Provided during the Year	Provided during the Year in OCI	As at 31-Mar-20
		2018-19	2018-19		2019-20	2019-20	
Deferred tax liability:							
Related to Property,Plant & Equipment (Depreciation)	889.02	154.49	-	1043.51	113.81	-	1157.32
Retirement benefits to employees	-	-	-	-	-	-	-
Total deferred tax liability (A)	**889.02**	**154.49**	**-**	**1043.51**	**113.81**	**-**	**1157.32**
Deferred tax assets:							
Carry forward Business Loss/ Unabsorbed Depreciation	-	291.56	-	291.56	1164.71	-	1456.26
Provision on Inventories, Trade Receivables, Loans and advances, CWIP , Investments etc.	25.22	1.41	-	26.63	(11.90)	-	14.73
43B Disallowances , Bonus , Gratuity etc.	57.61	(53.82)	0.80	4.59	(6.03)	21.30	19.86
MAT Credit Entitlement	599.99	-	-	599.99	-	-	599.99
Total deferred tax assets (B)	**682.82**	**239.15**	**0.80**	**922.77**	**1146.77**	**21.30**	**2090.84**
Deferred Tax Liability (Net) (A - B)	**206.20**	**(84.66)**	**(0.80)**	**120.74**	**(1032.96)**	**(21.30)**	**(933.52)**

The recognition of deferred tax assets / liability is based on the "Asset and liability method", determined on the basis of difference between the financial statement and tax bases of the assets and liabilities, by using the enacted tax rates. The deferred taxes are recognised to the extent, they are more likely than not to be realised, based on the best estimates as at the balance sheet date. In making such estimates, all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and pricing assumptions based on the past trend are considered. Such estimates are subject to significant fluctuations in earnings, timing of such earnings, need based future changes in tax strategies etc.

The losses for the current year include a significant quantum of write down of inventory due to the COVID-19 situation which is expected to be reversed on turnaround in the current situation. Considering, the earnings projections for the future, based on the average pricing trends of the past and expected reversals in inventory write down, it is expected that the deferred tax assets would be realised.

Note – 8 : OTHER ASSETS

₹ in Crore

Sl. No	Particulars	Note	Non-Current		Current	
			As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
1	**Advance for Capital Expenditure**					
	a) To Related Parties					
	i) Unsecured, Considered Good		-	0.79	-	-
	b) To Others					
	i) Unsecured, Considered Good		5.17	20.76	-	-
2	**Advances**					
	a) To Others					
	i) Unsecured, Considered Good		-	-	32.58	29.22
3	**Claims Recoverable :**					
	From Custom, Excise, Sales tax, Income Tax dept & Others					
	i) Unsecured, Considered Good		-	-	215.48	248.42
4	**GST-ITC recoverable**		-	-	25.39	32.24
5	**Balance with Customs, Port Trust and Excise Authorities:**					
	i) Unsecured, Considered Good		-	-	0.37	3.24
6	**Gold / Other Precious Metals**		-	-	9.53	10.06
	Less : Provision for Diminution		-	-	-	0.03
			-	-	9.53	10.03
7	**Deferred Expenses**		27.16	24.46	2.81	2.42
8	**Other Assets**	**A**	15.44	-	-	-
	TOTAL		**47.77**	**46.01**	**286.16**	**325.57**

Note:

A Pertains to land given on lease related to Indian Oil Corporation Ltd., the holding company

Note – 9 : INVENTORIES

₹ in Crore

Sl. No	Particulars		As at 31-Mar-20	As at 31-Mar-19
1	**In Hand :**			
	a. Stores, Spares etc.	303.77		268.79
	Less : Provision for Losses	39.29		35.47
			264.48	233.32
	b. Raw Materials		605.21	1370.33
	c. Finished Products		1061.64	1700.20
	d. Stock in Process		281.43	633.26
			2212.76	**3937.11**
2	**In Transit :**			
	a. Stores & Spares etc.		5.91	3.62
	b. Raw Materials		142.10	906.23
			148.01	**909.85**
	TOTAL (1 + 2)		**2360.77**	**4846.96**
	Amount of write down of inventories carried at NRV and recognised as expense		**1455.71**	**33.43**

Valuation of Inventories are done as per sl. no.7 of Significant accounting policies (Note-1)

Note – 10 : TRADE RECEIVABLES

₹ in Crore

Particulars	Note		As at 31-Mar-20	As at 31-Mar-19
a) From Related Parties				
i) Considered Good - Unsecured	(i)	66.16		67.05
b) From Others				
i) Considered Good - Secured	(ii)	1.43		99.65
ii) Considered Good -Unsecured		56.31		160.63
			123.90	327.33
TOTAL	**A**		**123.90**	**327.33**

Notes:

(i) Includes receivables from Indian Oil Corporation Ltd., the holding company ₹ 62.68 Crore (2019: ₹ 63.59 Crore) and receivables from Indian Additives Limited, Joint Venture Company ₹ 3.48 Crore (2019: ₹ 3.46 Crore).

(ii) Represents dues for which mortgage and first charge on Land is in favour of the company to the extent of ₹ 100 Crore (2019: ₹ 100 Crore)

A Offsetting Financial Assets and Financial Liabilties:

The following table presents the recognised financial instruments that are offset as at 31st March 2020 and 31st March 2019

	Effects of offsetting on the balance sheet		
Particulars	**Gross Amount**	**Gross Amounts set off in the balance sheet**	**Net Amounts presented in the balance sheet**
31-03-2020			
Financial Assets			
Trade receivables	535.71	411.81	123.90
Financial Liabilities			
Trade Payables	1966.48	411.81	1554.67
31-03-2019			
Financial Assets			
Trade receivables	1623.74	1296.41	327.33
Financial Liabilities			
Trade Payables	3737.51	1296.41	2441.10

Offsetting Arrangements

The Trade receivables and payables to the extent being settled on net basis with Indian Oil Corporation Limited have been offset.

Note – 11 : CASH AND CASH EQUIVALENTS

₹ in Crore

Sl. No	Particulars	As at 31-Mar-20	As at 31-Mar-19
1	**Bank Balances with Scheduled Banks :**		
	Current Account	0.05	0.17
	TOTAL	**0.05**	**0.17**

Note – 12 : OTHER BANK BALANCES

₹ in Crore

	Particulars	Note	As at 31-Mar-20	As at 31-Mar-19
1	Balances with bank held as other commitments		-	5.67
2	Earmarked Balances	A	3.68	3.93
	TOTAL		**3.68**	**9.60**

Note:

A Pertains to Unpaid dividend (Refer note 16- Sl.No.6)

Note – 13 : EQUITY SHARE CAPITAL

₹ in Crore

Particulars	Note	As at 31-Mar-20	As at 31-Mar-19
Authorized:			
Equity:			
40,00,00,000 (2019: 40,00,00,000) Equity Shares of ₹ 10 each		400.00	400.00
Preference:			
100,00,00,000 (2019:100,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each		1000.00	1000.00
		1400.00	**1400.00**
Issued :			
Equity:			
14,89,11,400 (2019: 14,89,11,400) Equity Shares of ₹ 10 each	(i)	148.91	148.91
Preference:			
50,00,00,000 (2019: 50,00,00,000;) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each	(ii)	500.00	500.00
		648.91	**648.91**
Subscribed, Called-up and fully Paid-up :			
14,89,11,400 (2019: 14,89,11,400) Equity shares of ₹10 each	(i)	148.91	148.91
Total Paid up Equity share Capital		148.91	148.91
TOTAL		**148.91**	**148.91**

Notes:

(i) (A) As per the Formation Agreement entered into between the promoters, an offer is to be made to the Naftiran Intertrade Company Limited (NICO), an affiliate of National Iranian Oil Company (NIOC) in any issue of the Capital in proportion to the shares held by them at the time of such issue to enable them to maintain their shareholding at the existing percentage.

(B) The Shareholders of the Company at the General meeting held on 24th August 2018 has accorded approval for

a) Cancellation of unsubscribed equity share capital of ₹ 20.87 Crore consisting of 2,08,68,900 equity shares of ₹ 10/- each, comprising of partial subscription to Rights Issue made by the company in 1984, by the Government of India and non-subscription by Amoco India Inc., to the Rights Issue made by the company in 1984;

b) Cancellation of 2,19,700 forfeited equity shares of ₹ 10/- each totaling ₹ 0.22 Crore (1,87,900 equity shares forfeited on 26.09.2003 and 31,800 equity shares forfeited on 26.10.2006)

(ii) Based on special resolution passed by the shareholders through postal ballot on 16.07.2015, the company has allotted 100 Crore Non Convertible Cumulative Redeemable Preference Shares of ₹ 10 each for cash at par amounting to ₹ 1000 Crore to Indian Oil Corporation Ltd, the holding company on private placement preferential allotment basis on 24.09.2015 after receipt of full subscription amount.

Preference shares to the extent of ₹ 500 crore, out of the total outstanding amount of ₹ 1000 crore were redeemed on 06.06.2018. Accordingly the outstanding amount as at 31.03.2020 is ₹ 500 crore.

Preference Shares classified as financial liability (long term borrowing) as per Ind AS 32 - Refer note - 15(E)

Note – 13 : EQUITY SHARE CAPITAL

A. Reconciliation of No. of Shares	As at 31-Mar-20		As at 31-Mar-19	
	Equity Shares	Preference Shares	Equity Shares	Preference Shares
Opening Balance	14,89,11,400	50,00,00,000	14,89,11,400	1,00,00,00,000
Shares Issued	-	-	-	-
Shares bought back / Redeemed	-	-	-	50,00,00,000
Closing Balance	**14,89,11,400**	**50,00,00,000**	**14,89,11,400**	**50,00,00,000**

B. Rights, preferences and restrictions attached to Equity 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.

C. Shares held by Holding Company

₹ in Crore

Particulars	As at 31-Mar-20	As at 31-Mar-19
7,72,65,200 Equity Shares of ₹10 each (51.89%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.	77.27	77.27

D. Details of shareholders holdings more than 5% shares

Equity Shares

Name of Shareholder	As at 31-Mar-20		As at 31-Mar-19	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
Indian Oil Corporation Limited	77265200	51.89	77265200	51.89
Naftiran Intertrade Company Limited	22932900	15.40	22932900	15.40
Aditya Birla Sunlife Trustee Private Limited	6796009	4.56	7544646	5.07

Note – 14 : OTHER EQUITY

₹ in Crore

Sl. No	Particulars	Note		As at 31-Mar-20	As at 31-Mar-19
1	**Retained Earnings**				
a)	**General Reserve :**				
	As per last Account		3578.93		3330.71
	Add: Remeasurement of Defined Benefit Plans		(39.65)		(1.78)
	Add : Transfer from Bond Redemption Reserve		-		250.00
			3539.28		3578.93
b)	**Surplus (Balance in Statement of Profit and Loss):**				
	Balance Brought Forward from Last Year's Account		(1121.43)		(582.75)
	Add: Profit / (Loss) for the Year		(2056.40)		(205.35)
	Less: APPROPRIATIONS:				
	Final Dividend		-		275.49
	Dividend Distribution Tax on Final Dividend		1.22		57.84
	Balance carried forward to next year's account		(3179.05)		(1121.43)
				360.23	2457.50
2	**Other Reserves**				
a)	**Bond Redemption Reserve Account :**	A			
	As per last Account		-		250.00
	Add: Transferred (to General Reserve)/ from Profit & Loss Account		-		(250.00)
			-	-	-
b)	**Capital Redemption Reserve :**	B			
	As per last Account			600.00	600.00
c)	**Securities Premium:**	C			
	As per last Account			250.04	250.04
d)	**Capital Reserve**				
	As per last account - Amount originally paid up for Forfeited Shares cancelled			0.09	0.09
	TOTAL			**1210.36**	**3307.63**

Notes:

Other Reserves

Reserves created in compliance with the Provision of the Companies Act, the utilisation of which is restricted to the purposes mandated therein:

A Bond Redemption Reserve Account : Utilised for redemption of bond and transferred to general reserve on actual redemption (During previous the year Non Convertible Debenture of ₹ 1000 Crore redeemed).

B Capital Redemption Reserve Account : To be utilised for redemption of Preference Shares (During the previous year Non Convertible Redeemable preference Share of ₹ 500 Crore redeemed).

C Securities Premium : Premium on shares issued by the company appropriated under this reserve.

Note – 15 : LONG-TERM BORROWINGS

(At Amortised Cost)							₹ in Crore
Sl. No	**Particulars**	**Note**		**Non-current**		**Current Maturities**	
				As at 31-Mar-20	**As at 31-Mar-19**	**As at 31-Mar-20**	**As at 31-Mar-19**
I.	**SECURED LOANS**						
1	**Term Loans:**						
	From banks						-
	i) INR Loan	A	500.00		500.00	3.34	3.57
	ii) Foreign Currency Loans US $ 50 Million (2019: US $ 50 Million)	B	378.85		346.18		
	Total (Loans from Banks)			878.85	846.18	3.34	3.57
	From other parties						
	i) Loans from OIDB	A		345.05	50.00	-	-
	Total (Term Loans)			**1223.90**	**896.18**	**3.34**	**3.57**
	Total Secured Loans			**1223.90**	**896.18**	**3.34**	**3.57**
II.	**UNSECURED LOANS**						
1	**Debentures**						
	11450 Nos. of 6.43% Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - I-2020 (2019: NIL)	C		1145.00	-	6.64	-
2	**Term Loans:**						
	i) From Banks/Financial Institutions:						
	In Foreign Currency	D		-	-	-	346.92
	NIL (2019: US $ 50 Million)						
	Total (Term Loans)			**1145.00**	**-**	**6.64**	**346.92**
3	**Loans from related parties:**	E					
	50,00,00,000 (2019:50,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each			572.51	547.33	-	-
4	**Lease obligations**	F		11.36	-	2.61	-
	Total Unsecured Loans			**1728.87**	**547.33**	**9.25**	**346.92**
	TOTAL LONG-TERM BORROWINGS			**2952.77**	**1443.51**	**12.59**	**350.49**

Notes:

A. Secured Rupee Term Loans:

Sl. No.	**Particulars**	**Availed Date**	**Rate of Interest**	**Date of Repayment**	**Security Details**
1	Term Loan from State Bank of India - ₹ 500 Crore	07-01-2019	6 Months MCLR, reset at half yearly intervels	Principal repayable at the end of 5 years from date of availment. Interest payable monthly	Pari passu first charge by way of hypothecation of fixed assets along with the South Indian Bank Ltd (i.e., after excluding land and building of the entire Company & assets pertaining to BS VI project and RLNG projects) with a minimum Fixed Asset Coverage Ratio of 1.50 times.

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Repayment	Security Details
2	Term Loan from Oil Industry Development Board - ₹ 50 Crore	18-03-2019	7.22%	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to RLNG project
3	Term Loan from Oil Industry Development Board - ₹ 50 Crore	17-05-2019	7.46%	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to RLNG project
4	Term Loan from Oil Industry Development Board - ₹ 150 Crore	30-10-2019	6.52%	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to BS-VI project
5	Term Loan from Oil Industry Development Board - ₹ 100 Crore	31-03-2020	6.16%	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to BS-VI project

B. Secured Foreign Currency Term Loans:

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Repayment	Security Details
1	Foreign Currency Term Loan from South Indian Bank -USD 50 Mn	13-12-2018	1) 6 Months LIBOR + 125 Bps for first 6 months, 2) 6 Months LIBOR + 175 Bps for next 30 months 3) Reset at half yearly intervels 4) Interest payable on monthly basis	Principal repayable at the end of 3 years from date of availment. Interest payable monthly.	Pari passu first charge on entire fixed assets of the Company (excluding Land and building & assets pertaining to BS VI project and RLNG projects) with a minimum Fixed Asset Coverage Ratio of 1.50 times and second pari passu charge on movable assets of BS VI project and RLNG project.

C. Unsecured Loans:

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Redemption
1	Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series -I-2020	28-02-2020	6.43%	Principal repayable at the end of 3 years from date of availment. Interest payable Annually

D. Foreign Currency Loan

Sl. No.	Particulars	Date of Maturity	Repayable Amount	Interest Rate
1	Term Loan from State Bank of India	18.09.2019	US $ 50 Million	3 months LIBOR + 125 bps (Interest reset on quarterly basis) - Interest payable on Monthly basis

E. Non Convertible Cumulative Redeemable Preference Shares

Preference Share is treated as financial liability as per Ind AS 32, as these are redeemable on maturity for a fixed determinable amount and carry fixed rate of dividend.

(i) Rights, preferences and restrictions attached to Preference shares:

The Company has one class of preference shares i.e. Non-Convertible Cumulative Redeemable Preference Shares (NCCRP Shares) of ₹ 10 per share.

(ii) Non-convertible cumulative redeemable preference shares to the extent of ₹ 500 Crore, out of the total outstanding amount of ₹ 1000 crore was redeemed on 06.06.2018.

(iii) Preference Shares held by Holding Company

₹ in Crore

Particulars	As at 31-Mar-20	As at 31-Mar-19
50,00,00,000 (2019 : 50,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹10/- each (100%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.	500.00	500.00

(iv) Details of Preference shareholders holdings more than 5% shares

Name of Preference Shareholder	As at 31-Mar-20		As at 31-Mar-19	
	Number of Preference shares held	Percentage of Holding	Number of Preference shares held	Percentage of Holding
Indian Oil Corporation Limited	500000000	100	500000000	100

(v) Preference dividend has been provisionally accrued as finance cost. However, as per the Companies Act 2013, the preference shares is treated as part of share capital and the provisions of the Act relating to declaration of Preference Dividend would be applicable.

(vi) Refer Note -13 & 13A - Authorised and issued Preference Share capital and the reconciliation of no. of shares of preference shares

F. Lease Oblications

Lease obligations are against assets acquired under operating leases. The Carrying value of the assets is 12.96 crore (2019: NIL)

Note – 16 : OTHER FINANCIAL LIABILITIES

₹ in Crore

Sl. No	Particulars	Note	Non-current		Current	
			As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
1	Current maturities of Long term debt		-	-	12.59	350.49
2	Liability for Capital Expenditure	A	-	-	387.71	574.34
3	Liability to Trusts and Other Funds		-	-	64.11	5.32
4	Employee Liabilities for Expenses		-	-	141.24	97.38
5	Security Deposits	B	6.84	-	47.58	46.66
6	Liability for Unpaid Dividend	C	-	-	3.68	3.93
7	Other Financial Liabilities		-	-	1.03	1.21
	TOTAL		**6.84**	**-**	**657.94**	**1079.33**

Notes:

A Includes dues Payable to Indian Oil Corporation Limited ₹ 4.58 Crore (2019: ₹ Nil) and Indian Oiltanking Limited (formerly known as IOT Infrastructure & Energy Services Limited) ₹ 4.76 Crore (2019: ₹ 11.71 Crore)

B Non-Current Liability pertains to Indian Oil Corporation Ltd., the holding company.

C There are no amounts due for payment to the Investor Education and Protection Fund as at the year end.

Note – 17 : PROVISIONS

₹ in Crore

Sl. No	Particulars	Note	Non-current As at 31-Mar-20	Non-current As at 31-Mar-19	Current As at 31-Mar-20	Current As at 31-Mar-19
1	Provision for Employee Benefits		100.63	254.68	17.13	25.11
2	Contingencies for probable obligations	-		- 24.39		86.14
	Less: Deposits	-		- -		75.09
	Contingencies for probable obligations	A	-	-	24.39	11.05
	TOTAL		**100.63**	**254.68**	**41.52**	**36.16**

Note:

A In compliance of Ind AS – 37 on "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under:

	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year	Closing Balance
Sales Tax	11.05		-	-	11.05
Income Tax	75.09	13.34		75.09	13.34
TOTAL	**86.14**	**13.34**	**-**	**75.09**	**24.39**
Previous Year	86.14	-	-	-	86.14

Note – 18 : OTHER LIABILITIES

₹ in Crore

Sl. No	Particulars	Note	Non-current As at 31-Mar-20	Non-current As at 31-Mar-19	Current As at 31-Mar-20	Current As at 31-Mar-19
1	Deferred Income	A	8.02	-	0.30	-
2	Government Grants					
	Liability towards Government Grants (Refer Note - 40)		5.62	1.36	1.10	-
3	Statutory Liabilities		-	-	397.69	362.28
4	Advances from Customers		-	-	16.87	32.65
	TOTAL		**13.64**	**1.36**	**415.96**	**394.93**

Note:

A Pertains to Indian Oil Corporation Ltd., the holding company

Note – 19 : BORROWINGS - CURRENT

(At Amortised Cost)

₹ in Crore

Sl. No	Particulars	Note	As at 31-Mar-20	As at 31-Mar-19
I.	**SECURED LOANS**			
1	**Loans Repayable on Demand**			
	From Banks:			
	a) In Rupees			
	Cash Credit - SBI		0.44	833.02

2	**Other Loans**				
	From Banks:				
	i) Export Promotion Credit - SBI		-		135.09
	ii) Commercial Paper - SBI		1493.38		1648.89
	Sub-Total			1493.38	1783.98
	Total Secured Loans	A		**1493.82**	**2617.00**
II.	**UNSECURED LOANS**				
1	**Loans Repayable on Demand**				
	From Banks/Financial Institutions:				
	In Rupees				
	Working Capital Demand Loans		2720.88		2256.97
	Sub-Total			**2720.88**	**2256.97**
2	**Other Loans**				
	From Banks/Financial Institutions:				
	In Rupees				
	Commercial Paper			1517.98	-
	Total Unsecured Loans			**4238.86**	**2256.97**
	TOTAL BORROWINGS - CURRENT			**5732.68**	**4873.97**

Note:

A Secured against hypothecation of Trade receivables & Inventories to the extent of ₹ 3184 Crore with State Bank of India. (2019: ₹ 4184 Crore)

As at 31 March 2020 the Company had available ₹ 669.43 Crore (2019: ₹ 1527.74 Crore) of undrawn Credit facilities.

Note – 20 : TRADE PAYABLES

₹ in Crore

Particulars	Note	As at 31-Mar-20	As at 31-Mar-19
Dues to Micro and Small Enterprises	A	0.56	1.58
Dues to Related Parties	B	1077.01	1677.16
Dues to Others		477.10	762.36
TOTAL	C	**1554.67**	**2441.10**

Notes:

A **Details relating to micro, small and medium enterprises is as follows :**

Particulars	As at 31-Mar-20	As at 31-Mar-19
(a) the principal amount	0.56	1.58
(b) the interest due thereon remaining unpaid	-	-
(c) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-

	Particulars	As at 31-Mar-20	As at 31-Mar-19
	(d) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
	(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
B	Represents dues to Indian Oil Corporation Ltd., the holding company Infrastructure and Energy Services Limited - Nil (2018: ₹ 3.52 Crore)		
C	Refer Note - 10(A)		

Note – 21 : REVENUE FROM OPERATIONS

₹ in Crore

Sl. No	Particulars	Note		For the Year Ended 31-Mar-20	For the Year Ended 31-Mar-19
1	Sale of Products and Crude (including Excise Duty)		48754.55		52233.64
	Less: Discounts		130.31		56.21
	Sales (Net of Discounts)	A	48624.24		52177.43
2	Other Operating Revenues (Note "21.1")		25.98		23.79
				48650.22	52201.22
	TOTAL	B		**48650.22**	**52201.22**

Note:

A Breakup of Gross revenue and Excise Duty on sales

Particulars	For the Year Ended 31-Mar-20	For the Year Ended 31-Mar-19
Revenue (gross)	48624.24	52177.43
Less: Excise Duty	11380.55	10896.98
Net Revenue	**37243.69**	**41280.45**

B Refer Note-42 Revenue from contracts with customers

Note – 21.1 : OTHER OPERATING REVENUES

₹ in Crore

Sl. No	Particulars	For the Year Ended 31-Mar-20	For the Year Ended 31-Mar-19
1	Sale of Power	0.96	1.10
2	Unclaimed / Unspent liabilities written back	3.34	5.24
3	Provision for Doubtful Debts, Advances, Claims, and Stores written back.	2.38	-
4	Recoveries from Employees	1.07	1.39
5	Sale of Scrap	11.71	11.10
6	Amortisation of Government Grants related to OIDB loan	0.47	-
7	Revenue Grants	3.10	4.96
8	Terminalling Charges	2.95	-
	TOTAL	**25.98**	**23.79**

Note – 22 : OTHER INCOME

₹ in Crore

Sl. No	Particulars		For the Year Ended 31-Mar-20	For the Year Ended 31-Mar-19
1	Interest on :			
	Financial Item:			
	a) Loans and Advances	6.47		5.40
	b) Short Term Deposits with Banks	0.87		8.83
	c) Customers Outstanding	6.45		9.42
	d) Others	4.22		5.55
			18.01	29.20
2	Other Non Operating Income		54.89	23.61
	TOTAL		**72.90**	**52.81**

Total interest income (calculated using the effective interest method) for financial assets that are not at fair value through profit or loss:

₹ in Crore

	For the Year Ended 31-Mar-20	For the Year Ended 31-Mar-19
In relation to financial assets measured at amortised cost	**18.01**	29.20

Note – 23 : COST OF MATERIALS CONSUMED

₹ in Crore

Particulars	For the Year Ended 31-Mar-20	For the Year Ended 31-Mar-19
Raw Material Consumed :		
Opening Balance	2276.56	2604.70
Add :		
Purchases	34264.09	38139.97
Sub Total	**36540.65**	**40744.67**
Less: Closing Stock	747.31	2276.56
TOTAL (Net)	**35793.34**	**38468.11**

Note – 24 : CHANGES IN INVENTORY

₹ in Crore

Particulars		For the Year Ended 31-Mar-20	For the Year Ended 31-Mar-19
Closing Stock			
a) Finished Products	1061.64		1700.20
b) Stock in Process	281.43		633.26
		1343.07	2333.46
Less:			
Opening Stock			
a) Finished Products	1700.20		1442.24
b) Stock in Process	633.26		481.33
		2333.46	1923.57
NET INCREASE/(DECREASE)		**(990.39)**	**409.89**

Note – 25 : EMPLOYEE BENEFIT EXPENSE

₹ in Crore

Particulars	Note	For the Year Ended 31-Mar-20	For the Year Ended 31-Mar-19
Employee Benefit Expense:			
(a) Salaries, Wages, Bonus etc		403.43	361.10
(b) Contribution to Provident & Other Funds		73.04	60.68
(c) Staff Welfare Expenses		35.16	38.74
TOTAL	**A&B**	**511.63**	**460.52**

Notes:

A Disclosure in compliance with Ind AS - 19 on "Employee Benefits" is given in Note - 32

B Above excludes ₹ 27.33 Crore (2019: ₹ 27.84 Crore) included in capital work in progress (Note - 2.1)

Note – 26 : FINANCE COSTS

₹ in Crore

Sl. No		Particulars	Note		For the year ended 31-Mar-19	For the year ended 31-Mar-18
1		**Interest Payments on Financial items:**	(i)			
	I	**Working Capital Loans**				
		Short term Borrowings		314.27		292.68
		Other Loans				
		Debentures/Long Term Loan	A	35.16		65.22
					349.43	357.90
	II	Unwinding of Finance cost on Lease obligations			1.72	-
	III	Interest expense for Preference Shares treated as financial liabilities	B		33.25	47.46
2		**Interest Payments on Non Financial items**			0.30	2.85
3		**Other Borrowing Cost**			1.76	1.59
4		**Exchange differences regarded as adjustment to borrowing cost**	A		26.79	9.96
		TOTAL			**413.25**	**419.76**
A		Net of interest capitalised as part of CWIP			**48.28**	41.55
B		Refer Note-15 E (v)				

(i) Total interest expense (calculated using the effective interest method) for financial liabilities that are not measured at fair value through profit or loss:

₹ in Crore

	For the Year Ended 31-Mar-20	For the Year Ended 31-Mar-19
In relation to financial liabilities measured at amortised cost	**384.40**	405.36

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Note – 27 : OTHER EXPENSES

₹ in Crore

Sl. No	Particulars		For the Year Ended 31-Mar-20	For the Year Ended 31-Mar-19
1	Consumption:			
	a) Stores, Spares and Consumables	89.61		91.46
	b) Packages & Drum Sheets	1.15		1.14
			90.76	92.60
2	Power & Fuel	2750.54		3941.77
	Less : Fuel from own production	2680.77		3860.94
			69.77	80.83
3	Irrecoverable taxes - Central Sales Tax		199.46	225.43
4	Repairs and Maintenance			
	i) Plant & Machinery	243.02		235.23
	ii) Buildings	2.48		3.34
	iii) Others	42.76		38.70
			288.26	277.27
5	Freight, Transportation Charges and Demurrage		28.15	56.86
6	Office Administration, Selling and Other Expenses (Note "27.1")		408.86	433.03
	TOTAL		**1085.26**	**1166.02**
	Less: Company's use of own Products		1.39	2.32
	TOTAL		**1083.87**	**1163.70**

Note – 27.1 : OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES

₹ in Crore

Sl. No	Particulars	Note		For the Year Ended 31-Mar-20	For the Year Ended 31-Mar-19
1	Rent			11.01	14.46
2	Insurance			18.88	15.82
3	Rates & Taxes			2.03	2.67
4	Payment to auditors :				
	a) For Statutory Audit		0.24		0.23
	b) For Limited Review		0.12		0.11
	c) For Taxation Matters		0.06		0.06
	d) Other Services(for issuing other certificates etc.)		0.03		0.03
				0.45	0.43
5	Travelling & Conveyance			23.80	25.79
6	Communication Expenses			2.15	2.23
7	Printing & Stationery			1.38	1.35
8	Electricity & Water			1.28	1.10
9	Bank Charges			1.61	1.22
10	Provision / Loss on Assets sold or written off (Net)			12.08	15.61
11	Technical Assistance Fees			9.02	7.89
12	Exchange Fluctuation (Net)			239.22	242.80

₹ in Crore

Sl. No	Particulars	Note	For the Year Ended 31-Mar-20	For the Year Ended 31-Mar-19
13	Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores		3.82	4.05
14	Security Force Expenses		35.97	33.82
15	Terminalling Charges		10.43	20.40
16	Expenses on CSR Activities	Refer Note: 39	16.72	18.89
17	Miscellaneous Expenses	A	19.01	24.50
	TOTAL		**408.86**	**433.03**

Note:

A Miscellaneous Expenses Includes:

i) Expenditure on Advertisement, Public Relations and Publicity amounting to ₹ 0.78 Crore (2019: ₹ 3.17 Crore). The ratio of annual expenditure on Advertisement,Public Relations and Publicity to the annual turnover (inclusive of excise duty) is 0.00002:1 (2019: 0.00006:1)

ii) Entertainment Expenses ₹ 0.39 Crore (2019: ₹ 0.24 Crore)

Note – 28 : OTHER COMPREHENSIVE INCOME

₹ in Crore

Sl. No	Particulars		For the Year Ended 31-Mar-20	For the Year Ended 31-Mar-19
A.	**Items that will not be reclassified to profit or loss:**			
1	Remeasurement of Defined Benefit Plans	(60.95)		(2.30)
2	Share of Joint Ventures and Associates in Remeasurement of Defined Benefit Plans	-		(0.44)
			(60.95)	(2.74)
B.	**Income Tax relating to items that will not be reclassified to profit or loss:**			
1	Remeasurement of Defined Benefit Plans	21.30		0.80
2	Share of Joint Ventures and Associates in Remeasurement of Defined Benefit Plans	-		0.16
			21.30	0.96
	TOTAL		**(39.65)**	**(1.78)**

Note – 29 : DISTRIBUTIONS MADE AND PROPOSED

₹ in Crore

Particulars	For the Year Ended 31-Mar-20	For the Year Ended 31-Mar-19
Cash dividends on Equity shares declared and paid:		
Final dividend for FY 2018-19 declared and paid during the year ended 31 March 2020: ₹ NIL per share; (for FY 2017-2018 declared and paid during the year ended 31 March 2019 : ₹ 18.5 Per Share)	-	275.49
DDT on dividend paid	-	56.63
	-	**332.12**

Note: Refer Note-15 E (v) for Preference dividend

Note – 30 : EARNINGS PER SHARE (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the Year Ended 31-Mar-20	For the Year Ended 31-Mar-19
Profit / (Loss) attributable to equity holders (₹ in Crore)	(2056.40)	(205.35)
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	148911400	148911400
Earning Per Share (Basic and Diluted) (₹)	**(138.10)**	**(13.79)**
Face value per share (₹)	10.00	10.00

Note – 31 : DISCLOSURE OF INTEREST IN JOINT VENTURES AND ASSOCIATES

(₹ in Crore)

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying Amount	
					As at 31-Mar-20	As at 31-Mar-19
Indian Additives Limited	India	50%	Joint Venture	Equity Accounting	178.92	158.98
National Aromatics and Petrochemical Corporation Limited	India	50%	Joint Venture	Equity Accounting	Nil	Nil

Summarised balance sheet of the Indian Additives Limited: (₹ in Crore)

	As at 31-Mar-20	As at 31-Mar-19
	Unaudited	Audited
Current assets	324.51	292.62
Current liabilities	107.97	100.53
Non-current assets	176.01	163.46
Non-current liabilities	34.71	37.59
Net assets	**357.84**	**317.96**

Summarised balance sheet of the Indian Additives Limited: (₹ in Crore)

	As at 31-Mar-20	As at 31-Mar-19
	Unaudited	Audited
Proportion of the company's ownership on the above	50%	50%
Carrying amount of the investment	178.92	158.98
The above amounts of assets and liabilities include the followings		
Cash and cash equivalents	37.61	22.75
Current financial liabilities (excluding trade and other payables and provisions)	4.88	4.35
Non-current financial liabilities (excluding trade and other payables and provisions)	0.48	-

Summarised statement of profit and loss of the Indian Additives Limited:

(₹ in Crore)

Particulars	**For the Year Ended 31-Mar-20**	**For the Year Ended 31-Mar-19**
	Unaudited	Audited
Revenue From Operations	793.37	777.08
Other Income	8.04	9.57
Cost of Material Consumed	470.21	471.73
Purchases of Stock in trade	128.07	136.52
Changes in inventories of finished goods, stock-in-trade and work in progress	(13.82)	(0.12)
Employee Benefits Expenses	31.22	27.68
Finance Costs	0.50	0.18
Depreciation and amortization expenses		
a) Tangible Assets	13.61	10.24
b) Intangible Assets	0.44	0.31
Other Expenses	102.87	96.43
Profit before exceptional items and tax	**68.30**	**43.69**
Exceptional Items	-	-
Profit/(loss) before tax	**68.30**	**43.69**
Tax expense:		
Current Tax	15.79	9.92
Deferred Tax	(1.64)	5.85
Profit (Loss) for the period	**54.15**	**27.92**
Other Comprehensive Income	-	(0.57)
Total comprehensive income	**54.14**	**27.35**
Dividend received	5.92	5.92

Commitments and contingent liabilities in respect of Joint Venture

(₹ in Crore)

Particulars	**As at 31-Mar-20**	**As at 31-Mar-19**
	Unaudited	Audited
Commitments – Joint Venture		
Property, Plant and Equipments	6.27	4.88
Civil Work relating to Project	-	0.58
Contingent liabilities – Joint Venture		
Income Tax Matters	5.12	5.12
Excise Duty Matters	0.01	0.01
Service Tax Matters	0.80	0.80
Sales Tax Matters	0.34	0.34
Customs duty matters	0.37	0.37

Individually immaterial Joint Ventures:

Particulars	Note	As at 31-Mar-20	As at 31-Mar-19
Aggregate carrying amount of individually immaterial Joint Venture			
i) National Aromatics and Petrochemical Corporation Limited	A	-	-
Aggregate amounts of the group's share of:			
Profit/(loss) from continuing operations		NA	NA
Other comprehensive income		NA	NA
Total comprehensive income		NA	NA
Share of profits from Joint Venture		NA	NA

Note:

A The Investment in JV have been fully provided for dimunition in value of investments. The JV is not Operational. The company has decided to exit from the JV and the process in this regard is already initiated.

NA Not Applicable

Note – 32 : EMPLOYEE BENEFITS

Disclosures in compliance with Ind AS 19 on "Employee Benefits" is as under:

A. Defined Contribution Plans- General Description

Pension Scheme:

During the year, the company has recognised ₹ 22.95 Crore (2019: ₹ 22.53 Crore) towards Defined Contributory Employees Pension Scheme in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident & Other Funds in Note - 25/ Construction period expenses in Note-2.1)

During the year, the company has recognised ₹ 2.11 Crore (2019: ₹ 2.24 Crore) as contribution to EPS-95 in the Statment of Profit and Loss/ CWIP (included in Contribution to Provident and Other Funds in Note - 25/ Construction period expenses in Note-2.1)

B. Defined Benefit Plans- General Description

1 Provident Fund:

The Company's contribution to the Provident Fund is remitted to separate provident fund trust established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company. The Provident Funds maintained by the PF Trust in respect of which actuarial valuation is carried out does not have any deficit as on 31st March 2020 and disclosures have been provided accordingly.

2 Gratuity:

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the eligible salary for every completed year of service subject to a maximum of ₹ 0.20 Crore at the time of separation from the company. Besides, the ceiling of gratuity increases by 25% whenever IDA rises by 50%. The company has funded the liability through insurance company.

3 Post Retirement Medical Scheme (PRMS):

PRMS provides medical benefit to retired employees and eligible dependant family members. From the current year, the company has funded the liability through insurer managed funds.

4 Workman Compensation:

The company pays an equivalent amount of 100 months salary to the family member of employee, if employee dies due to accidental death while he is on duty. This scheme is not funded by the company. The liability originates out of the workman compensation Act and Factory Act.

C. Other Long-Term Employee Benefits - General Description

1 Leave Encashment:

(i) Each employee is entitled to get 8 days of earned leaves for each completed quarter of service. Encashment of earned leaves is allowed during service leaving a minimum balance of 15 days subject to maximum accumulation up to 300 days. In addition each employee is entitled to get 5 days of sick leaves at the end of every six months. The Company has been adopting a practice of permitting encashment of the entire accumulation of sick leaves only at the time of retirement.

(ii) DPE Guidelines in this regard states that sick leave cannot be encashed and is void ab initio vide its office memorandum dated 17-12-2012. The practice adopted by the Company of permitting encashment of sick leave is in contravention to the DPE guidelines issued . The company continues this practice keeping in view operational complications and service agreements. Our Holding company has represented to the concerned authorities to reconsider the matter. The net expenditure accounted towards encashment of sick leave for the year is ₹ 4.64 Crore (2019: ₹ 3.87 crore) .The accumulated provision for towards encashment of sick leave is ₹ 29.98 Crore (2019: ₹ 25.95 Crore).

2 Long Service Award:

On completion of specified period of service with the Company and also at the time of retirement, employees are rewarded with Prepaid Card as per eligibility, based on the duration of service completed based on the Board approved policy. This award based on length of meritorious and faithful service of employees (Long Service Award) was specifically allowed by DPE (formerly BPE) thru its letter dated 14.02.1983. MOP&NG has advised the Company that the Scheme is in contravention to the present DPE guidelines issued vide DPE OM No. 2(22)/97-DPE(WC) dated 20th November, 1997 which states that such long service awards cannot be given. The matter is being pursued with MOP&NG for resolution. Pending resolution of the matter, the company is of the view that the provision is in line with Board approved policy. The net expenditure accounted on this account is ₹ 0.72 Crore (2019: ₹ 1.84 Crore). The accumulated provision in this regard is ₹ 12.59 Crore (2019: ₹ 13.70 Crore). The Company continues this practice keeping in view operational complications and service agreements. Our Holding company has represented to the concerned authorities to reconsider the matter.

D. The summarised position of various defined benefits / Long Term Employee Benefits recognised in the Statement of Profit & Loss, Balance Sheet are as under:

(Figures presented in *Italic* Font in the table are for previous year)

(i) Reconciliation of balance of Defined Benefit / Long Term Employee Benefit Obligations

₹ in Crore

	Provident Fund	Gratuity	PRMS
	Funded	**Funded**	**Non-funded**
Defined Obligation at the beginning	**544.95**	**144.22**	**175.54**
	471.24	*141.47*	*164.31*
Current Service Cost	**22.72**	**1.60**	**3.82**
	20.89	*1.48*	*3.58*
Interest Cost	**46.51**	**11.09**	**13.66**
	41.74	*11.15*	*12.75*
Past Service Cost#	**-**	**1.15**	**-**
	-	-	-
Benefits paid	**(57.72)**	**(12.89)**	**(4.14)**
	(39.00)	*(13.28)*	*(3.98)*
Employee Contribution	**39.93**	**-**	**-**
	49.59	-	-
Transferred from other company	**(0.39)**	**-**	**-**
	0.49	-	-
Actuarial (gain)/ loss on obligations	**-**	**9.62**	**47.80**
	-	*3.40*	*(1.12)*
Defined Benefit Obligation at the end of the year	**596.00**	**154.79**	**236.68**
	544.95	*144.22*	*175.54*

#Refer Note-43.3

(ii) Reconciliation of balance of Fair Value of Plan Assets

(₹ in Crore)

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Fair Value of Plan Assets at the beginning of the year	**556.86**	**138.65**	**-**
	481.81	*81.86*	*-*
Expected return on plan assets (Interest Income)	**46.51**	**10.66**	**-**
	41.74	*10.46*	*-*
Contribution by employer	**22.72**	**-**	**194.97**
	20.89	*59.59*	*-*
Contribution by employees	**39.93**	**-**	**0.04**
	49.59	*-*	*-*
Benefit paid	**(57.72)**	**(12.89)**	
	(39.00)	*(13.24)*	*-*
Transferred from other company	**(0.39)**	**-**	**-**
	0.49	*-*	*-*
Actuarial gain / (losses)(Return on Plan Assets excl interest income)	**(8.80)**	**(3.53)**	**-**
	1.34	*(0.02)*	*-*
Fair value of plan assets at the end of the year	**599.11**	**132.89**	**195.01**
		138.65	*-*

(iii) Reconciliation of Fair Value of Plan Assets and Defined Benefit Obligation

(₹ in Crore)

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Fair Value of Plan Assets at the end of the year	**599.11**	**132.89**	**195.01**
	556.86	*138.65*	*-*
Defined Benefit Obligation at the end of the year	**596.00**	**154.79**	**236.68**
	544.95	*144.22*	*-*
Liability recognised in the Balance Sheet (As per para 64 of Ind AS-19)	**-**	**21.90**	**41.67**
	-	*5.57*	*-*
Amount not recognised in the Balance Sheet	**(3.11)**	**-**	**-**
	(11.91)	*-*	*-*

(iv) Amount recognised in Statement of Profit and Loss / CWIP

(₹ in Crore)

	Provident Fund Funded	Gratuity Funded	PRMS funded
Current Service Cost	**22.72**	**1.60**	**3.82**
	20.89	*1.48*	*3.58*
Interest Cost	**46.51**	**11.09**	**13.66**
	41.74	*11.15*	*12.75*
Expected (return) / loss on plan asset	**(46.51)**	**-**	**-**
	(41.74)	-	-
Contribution by Employees	**-**	**-**	**(0.04)**
	-	-	-
Past Service Cost	**-**	**1.15**	**-**
	-	-	-
Expenses for the year	**22.72**	**13.84**	**17.44**
	20.89	*12.63*	*16.33*

(v) Amount recognised in Other Comprehensive Income (OCI)

(₹ in Crore)

	Provident Fund Funded	Gratuity Funded	PRMS Funded
Actuarial (gain)/ loss on Obligations	**-**	**9.62**	**47.80**
	-	*3.40*	*(1.12)*
Remeasurement (Return on Plan Assets excl interest income)	**(8.80)**	**3.53**	**-**
	1.34	*0.02*	-
Net Loss / (Gain) recognized in OCI	**-**	**13.15**	**47.80**
	-	*3.42*	*(1.12)*
Net Loss / (Gain) not recognized in P&L / OCI	**8.80**	**-**	**-**
	(1.34)	-	-

(vi) Major Actuarial Assumptions

	Provident Fund Funded	Gratuity Funded	PRMS Funded
Discount rate	**6.83%**	**6.83%**	**6.81%**
	7.69%	*7.69%*	*7.78%*
Guaranteed return on plan assets	**8.50%**	**-**	**-**
	8.65%	-	-
Salary escalation	**-**	**8.00%**	**-**
	-	*8.00%*	-
Inflation	**-**	**-**	**7.00%**
		-	*7.00%*

The estimate of future salary increases considered in actuarial valuation takes into account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management and historical results of the return on plan assets.

CPCL

(vii) Sensitivity on Actuarial Assumptions: (₹ in Crore)

Loss / (Gain) for:	Gratuity Funded	PRMS Non-funded
Change in Discounting Rate		
Increase by 0.5%	**(4.20)**	**(24.79)**
	(3.77)	*(13.01)*
Decrease by 0.5%	**4.48**	**15.42**
	3.99	*14.76*
Change in Employee Turnover		
Increase by 0.5%	**1.05**	**(5.86)**
	1.15	*0.56*
Decrease by 0.5%	**(2.23)**	**(6.23)**
	(1.21)	*(0.60)*
Change in Salary Escalation/ Inflation rate		
Increase by 0.5%	**1.02**	**15.40**
	0.94	*14.90*
Decrease by 0.5%	**(1.05)**	**(24.95)**
	(0.96)	*(13.24)*

(viii) Investment details:

	Provident Fund Funded	Gratuity Funded	PRMS Funded
Investment with Insurer	**-**	**100.00%**	**100.00%**
	-	*100.00%*	-
Self managed investments	**100.00%**	**-**	**-**
	100.00%	-	-

Details of the investment pattern for the above mentioned funded obligations is as under:

	Provident Fund Funded	Gratuity Funded	PRMS Funded
Government securities (Central & State)	**41.86%**	**74.84%**	**84.94%**
	42.50%	*66.76%*	-
Investment in Equity / Mutual Funds	**6.02%**	**5.95%**	**4.33%**
	6.20%	*6.94%*	-
Investment in Debentures / Securities	**46.19%**	**17.85%**	**10.30%**
	46.03%	*22.17%*	-
Other approved investments (incl. Cash)	**5.92%**	**1.36%**	**0.43%**
	5.26%	*4.13%*	-

(ix) The following payments are expected projections to the defined benefit plan in future years:

(₹ in Crore)

Cash Flow Projection from the Fund/Employer	Gratuity Funded	PRMS Funded	Total
Within next 12 Months	**23.46**	**6.04**	**29.50**
	17.64	*4.63*	*22.27*
Between 2 to 5 Years	**69.11**	**32.68**	**101.79**
	71.05	*26.28*	*97.33*
Between 6 to 10 Years	**65.67**	**60.68**	**126.35**
	66.34	*51.30*	*117.64*

	Gratuity Funded	PRMS Funded
Weighted Average Duration of Defined Benefit Obligation	**7 Years**	**16 Years**
	7 Years	*16 Years*

Note – 33 : COMMITMENTS AND CONTINGENCIES

A Leases

Operating lease — as lessee

Transition and Practical Expedient

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees.

Effective 1st April 2019, the Company has adopted Ind AS 116 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognized on the date of initial application (i.e. 1st April 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognized as an adjustment to the opening balance of retained earnings as on 1st April 2019. The lease liability is measured at the present value of remaining lease payments and right of use asset has been recognized at an amount equal to the lease liability.

The Company has exercised following practical expedient;

i) Company has not reassessed whether a contract is, or contains, a lease at the date of initial application i.e. the contracts classified as leases as on 31st March 2019 as per Ind-AS 17 is treated as leases under Ind-AS 116 and not applying this standard to contracts that were not previously identified as containing a lease applying Ind AS 17.

ii) For leases for which the lease term ends within 12 months of the date of initial application have been accounted as short term leases.

The effect of this standard on transition and for the year ended 31st March 2020 along with relevant disclosures are as follows:

Recognition

All leases taken as lessee, except leases for short-term and leases of low value assets, shall be recognized in the financial statements as an asset (Right-of-Use asset) and a corresponding Lease Liability (as borrowings) by discounting the lease payments over the lease term. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance cost in the Statement of Profit and Loss, unless the same are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

i) The Lease Liability shall be measured at the present value of all the lease payments due over the lease term.

ii) The Right-of-Use asset shall be measured at cost that comprises of initial value of lease liability, lease payments made on or before the commencement of lease, initial direct costs incurred and an initial estimated cost of dismantling & removing the leased asset and restoring the site on which the asset is located.

iii) Discount rate to be used shall be the rate implicit in the lease. If it is impracticable to determine the implicit rate, CPCL incremental borrowing rate for the quarter earlier to the quarter in which the lease is entered is used.

iv) In case of composite contracts, the lease and non-lease components needs to be segregated (unless impracticable) as per relative standalone prices and only lease component needs to be discounted. If segregation of contract is impracticable, the entire component will be treated as lease component and shall be discounted accordingly.

Subsequently, at each balance sheet date, the right-of-use asset shall be depreciated and lease liability shall be increased by interest amount & decreased by amount paid.

Operating lease — as lessee

Nature of Leasing Activities

The Company has entered into various material lease arrangements (including in substance lease arrangements) such as lands and buildings for purpose of its plants, facilities, offices, etc.,

The Employees Township at Cauvery Basin Refinery has been constructed on land area of thirty four acres and forty nine cents of land leased from a trust on five-year renewable basis.

Amount Recognized in Statement of Profit and Loss Account or Carrying Amount of Another Asset (₹ in Crore)

Particulars	For the year ended 31-03-20	For the year ended 31-03-2019
Depreciation recognized	3.84	-
Interest on lease liabilities	1.34	-
Expenses relating to short-term leases (leases more than 30 days but less than 12 months)	1.00	-
Variable lease payments not included in the measurement of lease liabilities	1.87	-
Total cash outflow for leases	7.03	-
Additions to ROU during the year	16.80	-
Net Carrying Amount of ROU at the end the year	12.96	-

The details of ROU Asset other than leasehold land included in PPE (Note 2) held as lessee by class of underlying asset is presented below :-

(₹ in Crore)

Asset Class	Items Added to RoU Asset as at 01.04.2019	Additions to RoU Asset during the Year	Depreciation Recognized During the Year	Net Carrying value as at 31.03.2020
Leasehold Land	11.46	-	1.52	9.94
Buildings Roads etc.	0.37	-	0.02	0.35
Transport Equipments	4.97	-	2.30	2.67
Total	**16.80**	**-**	**3.84**	**12.96**

As per requirement of the standard, maturity analysis of Lease Liabilities have been shown as part of borrowings under Liquidity Risk of Note 36: Financial Instruments & Risk Factors.

Application of this standard has resulted a net decrease in Profit before Tax for the period April - Mar 2020 by ₹ 1.02 crore (increase in Depreciation & Amortization expenses and Finance Cost by ₹ 3.84 crore and ₹ 1.34 crore respectively and decrease in Other Expenses by ₹ 4.16 crore).

Details of items of future cash outflows which the Company is exposed as lessee but are not reflected in the measurement of lease liabilities are as under;

(i) Variable Lease Payments

As per general industry practice, the Company incurs various variable lease payments which are based on rate, kms covered etc. and are recognized in profit or loss and not included in the measurement of lease liability.

Operating lease — as lessor

The lease rentals recognized as income in these statements as per the rentals stated in the respective

(₹ in Crore)

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
A. Lease rentals recognized during the period	30.29	-
B. Value of assets given on lease included in tangible assets		
- Gross Carrying Amount	17.68	-
- Accumulated Depreciation	2.29	-
- Depreciation recognized in the Statement of Profit and Loss	0.51	-

These relate to storage tankage facilities for petroleum products, buildings, plant and equipments given on lease. Asset class wise details have been presented under Note 2: Property, Plant & Equipments.

Maturity Analysis of Undiscounted Lease Payments to be received after the reporting date

(₹ in Crore)

Particulars	As at 31-03-2020	As at 31-03-2019
Less than one year	13.84	-
One to two years	13.63	-
Two to three year	14.34	-
Three to four years	15.08	-
Four to five years	15.85	-
More than five years	746.42	-
Total	**819.16**	**-**

B Contingent Liabilities

Contingent Liabilities amounting to ₹581.57 Crore (2019: ₹671.82 Crore) are as under:

(i) ₹ 23.13 Crore (2019: ₹ 21.44 Crore) being the demands raised by the Central Excise / Customs / Service Tax Authorities including interest of ₹ 9.30 Crore (2019: ₹ 8.29 Crore).

(ii) ₹ 527.71 Crore (2019: ₹ 527.71 Crore) being the demands raised by the VAT/ Sales Tax Authorities and includes no interest (2019: Nil).

(iii) ₹ Nil (2019: ₹ 92.39 Crore) in respect of Income Tax demands (including Interest of 2019: ₹ 46.57 Crore).

(iv) ₹ 23.56 Crore (2019: ₹ 23.53 Crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹ 7.60 Crore (2019: ₹ 7.89 Crore).

(v) ₹ 7.16 Crore (2019: ₹ 6.75 Crore) in respect of other claims including interest of ₹ 1.19 Crore (2019: ₹ 0.93 Crore).

The Company has not considered those disputed demands / claims as contingent liabilities, for which, the outflow of resources has been considered as remote.

C Commitments

(i) Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account not provided for ₹ 752.73 Crore (2019: ₹ 833.15 Crore).

(ii) Other Commitments

The Company has an export obligation to the extent of ₹ 33.30 Crore (2019: ₹ 31.74 Crore) on account of concessional rate of customs duty availed under EPCG license scheme on procurement of capital goods and the same is expected to be fulfilled by way of exports.

Note - 34 : "Related Party Disclosures" in compliance with Ind-AS 24, are given below:

1. Relationship with Entities

A. Details of Holding Company

1) Indian Oil Corporation Limited (IOCL)

The following transactions were carried out with Holding Company in the ordinary course of business:

(₹ in Crore)

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
• Sale of Product and Services	45180.87	46947.92
• Dividend on Preference Shares	33.25	66.50
• Dividend paid on Equity Shares	-	142.94
• Sale of Scrap / Catalyst	0.11	1.03
• EDP Maintenance	3.20	3.01
• Other Operating Income	2.95	-
• Other Non operating Income	32.63	3.51
• Purchase of Raw Material	105.81	981.62
• Purchase of Stock-in-Trade	268.10	207.78
• Purchase of Stores & Spares	11.64	5.47
• Canalising commission	2.50	2.50
• Terminalling Charges	6.75	8.74
• Rental Expenditure	1.73	2.07
• Training Expenses	0.24	-
• Other Miscellaneous Expenditure	0.16	-
• Purchase of RLNG	682.45	6.88
• Finance Cost - Unwinding of finance cost	0.37	-
• Creation of capital facilities by IOCL	-	8.11
• Capital Advances / (Liabilities)	(4.58)	0.79
• Outstanding Receivables	63.85	63.59
• Other Liabilities - Land given on lease	15.15	-
• Other Non - current Assets - Land given on lease	15.44	-
• Outstanding payables		
Trade Payables	1077.01	1677.14
Preference Shares (at face value)	500.00	500.00

B. **Details of Joint Ventures**

i) Indian Additives Limited (₹ in Crore)

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
• Investment	11.83	11.83
• Sale of Product	33.67	51.52
• Rental income	0.60	0.58
• Dividend received	5.92	5.92
• Sale of Water	0.01	-
• Outstanding Receivables	3.48	3.46

ii) National Aromatics & Petrochemicals Corp. Limited

(₹ in Crore)

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
• Investments in Joint Venture Entities/ Associates*	0.03	0.03

* The Investment has been fully impaired (Note - 4)

C. **Entities Over which KMP has significant influence**

i) CPCL Educational Trust (₹ in Crore)

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
• CSR Expenses	0.50	0.70
• Miscellaneous Expenses	0.01	-

D. **Associates of Holding Company**

i) i) Indian Oiltanking Limited (formerly known as IOT Infrastructure & Energy Services Limited)

(₹ in Crore)

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
• Terminalling/Bottling Charges	-	1.58
• Capital Projects	-	8.10
• Outstanding payable	4.76	11.71

E. **Government related entities where significant transactions are carried out:**

Apart from transactions reported above, the company has transactions with other Government related entities, which includes but not limited to the following:

Name of Government: Government of India (Central and State Government)

Nature of Transactions:

- Sale of Product and Services
- Purchase of Product
- Purchase of Raw Materials
- Handling and Freight Charges, etc.
- Borrowings

These transactions are conducted in the ordinary course of the Company's business on terms comparable to those with other entities that are not Government-related

2) Key Managerial Personnel

A. Whole Time Directors / Company Secretary	B. Independent / Part time Non-Executive Directors (Government / IOCL/ NICO Nominee)
1) Shri S.N. Pandey	1) Shri Sanjiv Singh (Non - Executive Chairman)
2) Shri Rajeev Ailawadi (w.e.f. 08.05.2018)	2) Smt. Perin Devi
3) Shri R.Srikanthan (w.e.f. 13.08.2018)	3) Shri Mohammad Bagher Dakhili
4) Shri S.Krishnan (w.e.f. 01.03.2020)	4) Shri Babak Bagherpour (w.e.f. 27.03.2019)
5) Shri G.Aravindan (Upto 28.02.2020)	5) Shri D. Durai Ganesan (w.e.f. 14.8.2018)
6) Shri U.Venkataramana (Upto 31.07.2018)	6) Shri Amitabh Mathur (w.e.f. 29.07.2019)
7) Shri P.Shankar	7) Shri Myneni Narayana Rao (w.e.f. 29.07.2019)
	8) Smt. Sobha Surendran (w.e.f. 31.10.2019)
	9) Shri B V Rama Gopal (Upto 31.07.2019)
	10) Shri Mrutunjay Sahoo (Upto 31.01.2020)
	11) Dr. P.B. Lohiya (Upto 31.01.2020)
	12) Shri S.M. Vaidya (w.e.f 01.08.2019)

C) Details relating to the parties referred to in Item No.2A & 2B above :

For the Year ended 31-Mar-20							(₹ in Crore)
Details of Key Managerial Personnel	**Short-Term Employee Benefits**	**Post Employment Benefits**	**Other Long Term Benefits**	**Termination Benefits**	**Total Remuneration**	**Sitting Fee**	**Outstanding loans/ advance receivables**
A. Whole Time Directors / Company Secretary							
1) Shri S.N. Pandey	0.36	0.09	0.05	-	0.50	-	-
2) Shri G. Aravindan	0.41	0.08	0.29	-	0.78	-	-
3) Shri Rajeev Ailawadi	0.39	0.08	0.09	-	0.56	-	-
4) Shri R. Srikanthan	0.38	0.08	0.01	-	0.47	-	-
5) Shri S. Krishnan	0.03	0.01	-	-	0.04	-	0.04
6) Shri P. Shankar	0.36	0.08	0.05	-	0.49	-	0.10
B. Independent / Government Nominee Directors#							
1) Shri D. Durai Ganesan	-	-	-	-	-	0.03	-
2) Shri Amitabh Mathur	-	-	-	-	-	0.02	-
3) Shri Myneni Narayana Rao	-	-	-	-	-	0.02	-
4) Smt. Sobha Surendran	-	-	-	-	-	0.01	-
5) Shri Mrutunjay Sahoo	-	-	-	-	-	0.05	-
6) Dr. P.B. Lohiya	-	-	-	-	-	0.05	-
TOTAL	**1.93**	**0.42**	**0.49**	**-**	**2.84**	**0.18**	**0.14**

Sitting fees paid to Independent Directors

For the Year ended 31-Mar-19							(₹ in Crore)
Details of Key Managerial Personnel	**Short-Term Employee Benefits**	**Post Employment Benefits**	**Other Long Term Benefits**	**Termination Benefits**	**Total Remuneration**	**Sitting Fee**	**Outstanding loans/ advance receivables**
A. Whole Time Directors / Company Secretary							
1) Shri S.N. Pandey	0.51	0.08	-	-	0.59	-	0.01
2) Shri G. Aravindan	0.52	0.08	-	-	0.60	-	-
3) Shri Rajeev Ailawadi	0.35	0.06	-	-	0.41	-	-
4) Shri R. Srikanthan	0.37	0.09	0.02	-	0.48	-	-
5) Shri U. Venkataramana	0.17	0.03	-	-	0.20	-	-
6) Shri P. Shankar	0.48	0.07	-	-	0.55	-	0.11
B. Independent / Government Nominee Directors#							
1) Shri Mrutunjay Sahoo	-	-	-	-	-	0.06	-
2) Dr. P.B. Lohiya	-	-	-	-	-	0.06	-
3) Shri D. Durai Ganesan	-	-	-	-	-	0.02	-
TOTAL	**2.40**	**0.41**	**0.02**	**-**	**2.83**	**0.14**	**0.12**

[#] Sitting fees paid to Independent Directors

This does not include the impact of provision made on actuarial valuation of retirement benefit/long term Schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual directors

3) **Trusts**

Transactions with Post Employment Benefit Plans managed through separate trust

(₹ in Crore)

Sl. No	Name of the Trust	Post Employment Benefit Plan	As at 31-Mar-2020		As at 31-Mar-2019	
			Contribution by Employer	Outstanding Payable	Contribution by Employer	Outstanding Payable
A	CPCL Employees Provident Fund	Provident Fund	22.74	0.55	20.97	5.00
B	CPCL Employees Superannuation Benefit Fund	Pension Scheme	22.71	-	22.53	-
C	CPCL Employees Group Gratuity Trust	Gratuity	0.30	21.90	59.59	5.57
D	Post Retirement Medical Benefit Trust	PRMB	195.00	41.67	-	-

Note – 35 : FAIR VALUES

Set out below, is a comparison by class of the carrying amounts as per financial statements and fair value of the Company's financial instruments, along with the fair value measurement hierarchy:

(₹ in Crore)

Particulars	Carrying value		Fair value		Fair value measurement hierarchy level
	As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19	
Financial Assets					
Amortised Cost:					
Loans to employees	63.27	55.65	58.58	50.16	Level 2
Total	**63.27**	**55.65**	**58.58**	**50.16**	
Financial liabilities					
A. Borrowings (Non-Current):					
Amortised Cost:					
Non-Convertible Redeemable Debentures	1145.00	-	1148.17	-	Level 2
Lease obligation	13.97	-	14.48	-	Level 2
Preference Shares	572.51	547.33	555.63	558.38	Level 2
Term Loans from Oil Industry Development Board (OIDB)	345.05	50.00	355.32	50.03	Level 2
Total	**2076.53**	**597.33**	**2073.60**	**608.41**	

Notes:

1. Levels under Fair Value measurement hierarchy are as follows:
   (a) **Level 1** items fair valuation is based upon **market price quotation at each reporting date**
   (b) **Level 2** items fair valuation is based upon **Significant observable inputs like PV of future cash flows, MTM valuation, etc.**
   (c) **Level 3** items fair valuation is based upon **Significant unobservable inputs wherein valuation done by independent valuer.**
2. The management assessed that Trade Receivables, Cash and Cash Equivalents, Bank Balances, Deposit for Leave Encashment Fund, Recoverable from Employee Benefits Trusts, Other Non-derivative Current Financial Assets, Short-term Borrowings, Trade Payables, Floating Rate Loans and Other Non-derivative Current Financial Liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
3. The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Methods and assumptions

The following methods and assumptions were used to estimate the fair values at the reporting date:

Level 2 Hierarchy:

(i) **Derivative instruments at fair value through profit or loss viz.Foreign exchange forward contracts:** Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs are considered.

(ii) **Loans to employees, Loan to related parties, Security deposits paid and Security deposits received,Lease obligations:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities

(iii) **Non Convertible Redeemable Preference shares :** The fair value of Preference shares is estimated by discounting future cash flows.

(iv) **Term Loans from Oil Industry Development Board (OIDB):** Discounting future cash flows using rates currently available for similar type of borrowings (OIDB Borrowing rate) using exit model as per Ind AS 113.

Note – 36 : FINANCIAL INSTRUMENTS AND RISK FACTORS

Financial Risk

Factors

The Company's principal financial liabilities, other than derivatives, comprise Borrowings, trade and other payables, security deposits and employee liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include loans & advances, trade and other receivables, short-term deposits and cash / cash equivalents that derive directly from its operations. The company's requirement of crude oil imports are canalized through its holding company, Indian Oil Corporation Limited. The derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that trading in derivatives are taken only to hedge the various risks that the company is exposed to and not for speculation purpose.

The Company is exposed to a number of different financial risks arising from natural business exposures as well as its use of financial instruments including market risk relating to interest rate, commodity prices, foreign currency exchange rates and equity price, credit risk and liquidity risk.

To ensure alignment of Risk Management system with the corporate and operational objective and to improve upon the existing procedure, the Executive Committee of the company constituted a Committee comprising of officials from various functional areas to identify the risks in the present context, prioritize them and formulate proper action plan for implementation. The Committee has formulated the Risk Management Policy.

The Action Taken Report on the Risk Management Policy for the year 2019-20 (Upto Dec'19) was reviewed by the Risk Management Committee and Audit Committee in April'2020 and Board at the Meeting held on 20.05.2020. The Report for the year 2018-19 has been reviewed by the Audit Committee and Board at the Meeting held on 07.05.2019 and 08.05.2019 respectively.

The Board of Directors oversees the risk management activities for managing each of these risks, which are summarised below:

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The major components of market risk are interest rate risk, foreign currency risk, commodity price risk and other price risks etc. Financial instruments affected by market risk include Borrowings, Deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2020 and 31 March 2019

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions, and other non-financial assets.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at 31 March 2020 and 31 March 2019 including the effect of hedge accounting.
- The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at 31st March 2020.

1) Interest rate risk

The Company is also exposed to interest rate risk from the possibility that changes in interest rates will affect future cash flows of a financial instrument, principally financial debt. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's interest rate risk management includes to maintain a mix between fixed and floating rates for rupee and foreign currency loans, based on liquidity, availability of cost effective instruments and considering the market / regulatory constraints. As at 31 March 2020, approximately 63% of the Company's Long term borrowings are at fixed rate of interest (31 March 2019: 96%).

The sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, on floating rate borrowings is as follows:

Currency	Increase / Decrease in basis points	Effect on profit before tax (₹ in Crore)	Increase / Decrease in basis points	Effect on profit before tax (₹ in Crore)
	31-Mar-20		31-Mar-19	
INR	+50	(2.50)	+50	(6.65)
US Dollar	+50	(1.89)	+50	(3.48)
INR	-50	2.50	-50	6.65
US Dollar	-50	1.89	-50	3.48

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

2) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and Borrowings.

The Company manages its foreign currency risk through combination of natural hedge, hedging undertaken on occurrence of pre-determined triggers as per the Risk management policy. The hedging is undertaken through forward contracts.

The sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant and the impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities is tabulated below. The Company's exposure to foreign currency changes for all other currencies is not material.

Currency	Increase / Decrease in %	Effect on profit before tax (₹ in Crore)	Increase / Decrease in %	Effect on profit before tax (₹ in Crore)
	31-Mar-20		31-Mar-19	
US Dollar	+5%	(90.51)	+5%	(177.87)
	-5%	90.51	-5%	177.87

The effects of most exchange rate fluctuations are absorbed in business operating results which are offset by changing cost competitiveness, lags in market adjustments to movements in rates to its other non-financial assets like inventory etc. For this reason, the total effect of exchange rate fluctuations is not identifiable separately in the company's reported results.

3) Commodity price risk

The Company is exposed to various commodity price related risk such as Refinery Margins i.e. Differential between the prices of petroleum products & crude oil, inventoty valuation fluctuation and crude oil imports etc. As per approved risk management policy, the Company can undertake refinery margin hedging, inventory hedging and crude oil price hedging through swaps, options and futures in the OTC market as well as domestic exchanges to mitigate the risk within the approved limits.

B. Credit risk

1) Trade receivables

Customer credit risk is managed according to the Company's policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. Transactions other than with oil marketing companies are either generally covered by Letters of Credit, Bank Guarantees or cash-and-carry basis.

2) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty so as to minimise concentration of risks and mitigate consequent financial loss.

The Company's maximum exposure to credit risk for the components of the Balance Sheet at 31 March 2020 and 31 March 2019 is the carrying amounts as provided in Note 4, 5, 6, 11 & 12.

C. Liquidity risk

The Company monitors its risk of shortage of funds using detailed cash flow projections which is monitored closely on daily basis. The Company seeks to manage its liquidity requirement by maintaining access to both short term and long term debt markets. In addition, Company has committed credit facilities from banks.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, commercial papers, bank loans and debentures. and finance leases. The Company assessed the concentration of risk and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ in Crore)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31-Mar-20						
Borrowings(including lease obligations)	2721.32	3015.46	8.49	2952.77	-	8698.04
Trade payables	262.27	1292.40	-	-	-	1554.67
Other financial liabilities	652.19	-	-	-	-	652.19
	3635.78	**4307.85**	**8.49**	**2952.77**	**-**	**10904.90**
Year ended 31-Mar-19						
Borrowings	3089.99	1788.67	345.80	1443.51	-	6667.97
Trade payables	1168.95	1272.15	-	-	-	2441.10
Other financial liabilities	728.84	-	-	-	-	728.84
	4987.78	**3060.82**	**345.80**	**1443.51**	**-**	**9837.91**

D. Excessive risk concentration

Substantial portion of the Company's sales is to the Holding Company, Indian Oil Corporation Limited. Consequently, trade receivables from IOCL are a significant proportion of the Company's receivables. Since the operations are synchronised with those of the Holding Company, for optimal results, the same does not present any risk.

E. Collateral

As the Company has been rated investment grade by various rating agencies, there has been no requirement of submitting any collateral for booking of derivative contracts. The Company undertakes derivatives contract only with those counterparties that have credit rating above the internally approved threshold rating. Accordingly, the Company does not seek any collaterals from its counterparties.

Note – 37 : CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company monitors capital using debt equity ratio, which is borrowings divided by Equity. The Company's strategy is to keep the debt equity ratio in the range of 2:1 and 1:1 under normal circumstances. The Company also includes accrued interest in the borrowings for the purpose of capital management. The year end Debt-Equity ratio has been impacted by substantial write-down of inventories due to the CoVID-19 situation and the resultant decline in international prices of crude and products. Need for capital infusion, would be reasssed based on the turnaround of the situation

(₹ in Crore)

Particulars	As at 31-Mar-20	As at 31-Mar-19
Borrowings	8698.04	6667.97
Total Borrowings	**8698.04**	**6667.97**
Equity Share Capital	148.91	148.91
Reserves and Surplus	1210.36	3307.63
Equity	**1359.27**	**3456.54**
Debt Equity Ratio	**6.40 : 1**	**1.93 : 1**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2020 and 31st March 2019

Note – 38 : RESEARCH AND DEVELOPMENT COSTS

Research and Development Expenses of ₹ 0.32 Crore(2019: ₹ 0.41 Crore) of capital expenditure incurred and ₹ 4.49 Crore (2019 ₹ 5.91 Crore) of recurring expenditure have been accounted for in the Statment of Profit and Loss during the year. Detailed break up of total expenditure is as under:

A. CAPITAL EXPENSES (PROPERTY, PLANT & EQUIPMENT)

₹ in Crore

Asset Block	Gross Block as at 1st Apr 2019	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at 31st Mar 2020	Work-in-Progress as at 1st Apr 2019	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31st Mar 2020	Total Capital Expenditure
1	2	3	4	5	6 = (2+3+4-5)	7	8	9	10 = (7+8-9)	11=(3+8)
Property, Plant & Equipment										
Plant & Equipment	15.96	0.24	0.20	-	16.40	0.12	0.08	0.20	-	0.32
Office Equipment	0.30	-	-	-	0.30	-	-	-	-	-
Furniture & Fixtures	0.28	-	-	-	0.28	-	-	-	-	-
Total	**16.54**	**0.24**	**0.20**	**-**	**16.98**	**0.12**	**0.08**	**0.20**	**-**	**0.32**

B. RECURRING EXPENSES

₹ in Crore

Sl. No	Particulars	For the year ended 31-Mar-20	For the year ended 31-Mar-19
1	Consumption of Stores, Spares & Consumables	0.47	0.52
2	Repairs & Maintenance		
	(a) Plant & Equipment	0.23	0.15
3	Payment to and Provisions for employees	3.31	4.65
4	Other Expenses	0.48	0.59
	Total	**4.49**	**5.91**

C. TOTAL RESEARCH EXPENSES

₹ in Crore

Particulars	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Capital Expenditure	0.32	0.41
Recurring Expenditure	4.49	5.91
Total	**4.81**	**6.32**

Note – 39 : DISCLOSURE RELATING TO CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

(₹ in Crore)

Particulars	As at 31-Mar-20	As at 31-Mar-19
(a) Gross amount required to be spent by the company during the year.		
Annual CSR Allocation	16.72	18.74
Carry forward from previous year	-	-
Gross amount required to be spent	16.72	18.74

(b) Amount spent during the year on: (₹ in Crore)

Particulars	As at 31-Mar-20			As at 31-Mar-19		
	In cash	Yet to be paid In cash**	Total	In cash	Yet to be paid In cash**	Total
(i) Construction/acquisition of any assets	-	-	-	-	-	-
(ii) On purposes other than (i) above						
Health and Sanitation	2.06	-	2.06	4.73	0.02	4.75
Swachh Bharat	9.65	-	9.65	7.22	0.10	7.32
Education/employment vocational skills	2.86	-	2.86	3.91	-	3.91
Drinking Water	-	-	-	0.30	-	0.30
Other expenses	2.15	-	2.15	2.61	-	2.61
Total Expenses (ii)	**16.72**	**-**	**16.72**	**18.77**	**0.12**	**18.89**
Grand Total (i) and (ii)	**16.72**	**-**	**16.72**	**18.77**	**0.12**	**18.89**

**Provisions made for liabilities incurred

Note – 40 : DISCLOSURE ON GOVERNMENT GRANTS

A Revenue Grants

1 Stipend to apprentices under NATS scheme

The company has received grant of ₹ 0.97 crore (2019: Nil) in respect of stipend paid to apprentices registered under National Apprenticeship Training Scheme (NATS) and the same has been accounted on net basis against training expenses.

2 EPCG Grant

Grant recognised in respect of duty waiver on procurement of capital goods under EPCG scheme of Central Government which allows procurement of capital goods including spares for pre production and post production at zero duty subject to an export obligations of 6 times of the duty saved on capital goods procured.The unamortized capital grant amount as on March 31, 2020 is ₹ 1.67 Crore (2019: ₹ 1.36 Crore). The company recognised ₹ 3.10 Crore (2019: ₹ 4.96 Crore) in the statement of profit & loss account as amortisation of revenue grant. The company expects to meet the export obligations in line with the scheme.

3 Export of Notified Goods under Advance Authorisation Scheme

The Company has recognised ₹ 0.38 Crore (2019: Nil) on export of notified goods under Advance Authorisation Scheme in the statement of Profit and loss as Revenue Grant.

4 Grant in respect of Revenue expenditure for research projects

During the year, the Company has received revenue grant of ₹ 0.47 crore (2019 : ₹ 2.36 Crore in respect of meeting out revenue expenditure such as manpower, consumable etc for research project undertaken with Centre of High Technology under the Ministry of Petroleum & Natural Gas and the same has been reckoned on net basis in expenses.

B Capital Grants

1 Capital Grant in respect of interest subsidy

The Company has received capital grant in the form of interest subsidy on loans taken from OIDB. The unamortized capital grant amount as on March 31, 2020 is ₹ 5.05 crore (2019 : Nil). During the year, the company has recognised ₹ 0.47 crore (2019 : Nil) in the statement of profit and loss as amortisation of capital grants

Note – 41 : EXPOSURE TO FINANCIAL DERIVATIVES

Financial and Derivative Instruments:

1 All derivative contracts entered into by the Company are for hedging its foreign currency relating to underlying transactions and firm commitments and not for any speculative or trading purposes.

2 The company has No Outstading forward contract as at 31st March 2020(2019 : NIL) which has been undertaken to hedge its exposure to borrowings and other financial liabilities.

3 Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2020 is given below:

₹ in Crore

S. No	Particulars	As at 31-Mar-20	As a 31-Mar-19
		Aggregate amount	Aggregate amount
1	Unhedged- Payables	1866.60	3691.80
2	Unhedged- Receivables	56.31	134.46

Refer Note - 10A - Offsetting Financial Assets and Financial liabilities

NOTE – 42 : REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company is in the business of refining crude oil and it earns revenue primarily from sale of petroleum products and others. Revenue is recognized when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. In determining the transaction price for the sale of products, the company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Generally, Company enters into contract with customers for sale on EX-MI basis. Majority of Company's sales are to Oil Marketing Companies and Downstream industries for which credit period is less than 1 year. Direct sales to other customers are generally on cash and carry basis. Revenue is recognised when the goods are delivered to the customer by adjusting the amounts deposited by customers, if any.

Bifurcation of Total Revenue into Revenue from contract with customers and other sources of revenue as per requirement of Ind AS 115 is given below;

₹ in Crore

	2019-20	2018-19
Total Revenue	48642.24	52191.02
Revenue from contract with customers	48624.24	52177.43
Revenue from other contracts/from others	18.00	13.59

No impairment of losses on receivables has been recognised during the current and previous year.

Note – 43 : OTHER DISCLOSURES

1 Details of impairment loss in respect of Cauvery Basin Refinery

The Company has refineries at two locations viz., Manali and Nagapattinam (Cauvery Basin Refinery - CBR). Consequent to implementation of BS- IV specifications on a pan India basis w.e.f 01.04.2017 and in the absence of secondary treatment facilities, the BS – III grade of diesel production from CBR would not be marketable in the local market, entailing significant coastal/export under recoveries, which has adversely impacted the profitability of CBR and the operations of the CBR unit have been stopped from 01.04.2019. Accordingly, the value in use is negative and, the recoverable value of the assets was reviewed and it is estimated that there would not be any recoverable value for the same. Considering "Nil" recoverable Value of the assets, an amount of ₹ 54.42 Crore (2019: ₹ 0.93 Crore) has been accounted as impairment loss during the year, (including Capital work in Progress), in line with the requirements of Ind AS -36. The Total impairment loss recognized as on 31.03.2020 - ₹ 121.47 Crore (2019: ₹ 67.04 Crore).

The impairment provision is sensitive to changes in key judgements, such as changes in commodity prices, future changes in alternate use of assets etc, which could result in increase or decrease of the recoverable amounts and result in additional impairment charges or recovery of impairment charged.

2 Capital Work in progress & Intangibles under development includes ₹ 49.66 crore and ₹ 222.29 crore (2019 : ₹ 25.11 crore and ₹ 77.99 crore) respectively towards pre-project feasibility studies for the 9 MMTPA refinery being planned at Cauvery Basin Refinery, Nagappattinam.

3 Pending finalization of revision in pay and benefits in respect of non - supervisory employees, provision of ₹ 114.77 crore has been reckoned. (2019:₹ 69.14 Crore)

4 As part of CSR activities, CPCL sponsors polytechnic college, for which twenty acres of land of the company has been leased to the CPCL Educational Trust for a period of 50 years.

5 (a) The cost of land includes provisional payments towards cost, compensation, and other accounts for which detailed accounts are yet to be received from the authorities concerned.

(b) The company has valid title for all immovable properties. However, in respect of 186.86 acres of land allotted by Government of Tamil Nadu (classified as Poramboke) assignment deed is yet to be received. Out of this, value is to be determined by Government of Tamilnadu in respect of 135.93 acres.

(c) Pending decision of the Government/Court, additional compensation, if any, payable to the landowners and the Government for certain lands acquired, is not quantifiable, and hence not considered.

6 The company's Property, Plant & Equipments and stores and spares were damaged due to severe floods in Chennai during December 2015. As against the claim amount of ₹ 39.05 Crore (replacement & repair cost net of deductibles and Fuel cost for start-up, shutdown and for loss minimisation net of deductibles), on account payment of ₹ 3.00 Crore received from the insurance company in FY 2015-16, has been accounted as income in that year. The claim has been lodged with the insurance company. The insurance company is yet to settle the claim amount.

In respect of damages suffered due to Vardha cyclone during December 2016, claim of ₹ 15.04 Crore (net of deductibles) for material damage and fuel cost for shutdown and startup was submitted to M/s. United India Insurance Company Limited during the year 2018-19. The insurance company has settled an amount of ₹ 11.95 crore on 27th March 2020. The same has been accounted as income in the current year.

7 The International prices of crude and prices have crashed on account of demand destruction due to the COVID-19 Pandemic situation. This has resulted in significant inventory write down of ₹ 1456 crore.

8 During the year, the company has opted to settle pending disputed cases under the Direct Tax Vivad Se Vishwas Act, 2020. The gross amount of tax dispute foregone is ₹ 269.54 Crore and provision for ₹ 94.51 Crore has been included in current tax Expense and the same is subject to receipt of final orders from Income Tax Authorities. The procedural compliances in this regard is under progress.

9 The company operates only in a single segment viz. downstream petroleum sector. As such reporting is done on a single segment basis.

10 Covid-19 related impact: The offtake of petroleum products in April / May 2020 has been sluggish and accordingly, the capacity utilization has been low, which would be normalised based on Turnaround of the situation. There are no other significant subsequent events that would require adjustments or disclosures in the financial statements as at the Balance Sheet date.

11 Previous year's comparative figures have been regrouped, reclassified and recast wherever necessary.

Note – 44 : STATUTORY GROUP INFORMATION

Name of the entity in the group		Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in Total Comprehensive income	
		As % of consolidated net assets	₹ in Crore	As % of consolidated profit and loss	₹ in Crore	As % of consolidated other comprehensive income	₹ in Crore	As % of total comprehensive income	₹ in Crore
Parent									
Chennai Petroleum Corporation Limited									
	Balance as at 31st March 2020	**86.84%**	**1180.35**	**101.32%**	**(2083.48)**	**100.00%**	**(39.65)**	**101.29%**	**(2123.13)**
	Balance as at 31st March 2019	95.40%	3297.56	106.80%	(219.31)	84.24%	(1.50)	106.60%	(220.81)
Joint ventures (investment as per the equity method of accounting)									
Indian									
1	**Indian Additives Limited**								
	Balance as at 31st March 2020	**13.16%**	**178.92**	**(1.32%)**	**27.08**	**-**	**-**	**(1.29%)**	**27.08**
	Balance as at 31st March 2019	4.60%	158.98	(6.80%)	13.96	15.76%	(0.28)	(6.60%)	13.68
2	**National Aromatics and Petrochemical Corporation Limited**								
	Balance as at 31st March 2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Balance as at 31st March 2019	-	-	-	-	-	-	-	-
Total	**Balance as at 31st March 2020**	**100.00%**	**1359.27**	**100.00%**	**(2056.40)**	**100.00%**	**(39.65)**	**100.00%**	**(2096.05)**
	Balance as at 31st March 2019	100.00%	3456.54	100.00%	(205.35)	100.00%	(1.78)	100.00%	(207.13)

Note – 45 : STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES (FORM AOC-I)

Part A : Subsidiaries

Not applicable as there are no subsidiaries

Part B : Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures (FORM AOC-I)

₹ in Crore

Sl No.	Name of the Associates / Joint Ventures	Indian Additives Limited	National Aromatics and Petrochemical Corporation Limited
1	Latest Audited Balance Sheet Date	31-Mar-2020	31-Mar-2020
2	Date on which the Associate or Joint Venture was associated or acquired	13-Jul-89	10-May-89
3	i) No.	1183401	25000
	ii) Amount of Investment in Associates / Joint Ventures	11.83	0.03
	iii) Extent of Holding	50.00%	50.00%
4	Description of how there is significant influence	Joint venture	Joint venture
5	Reason why the associate / Joint ventures is not consolidated	Consolidated	Consolidated
6	Net worth attributable to shareholding as per latest audited balance sheet	178.92	-
7	Profit / (Loss) for the year		
	I) Considered in Consolidation	27.08	-
	II) Not Considered in consolidation	27.08	-

(S N Pandey)
Managing Director
DIN - 08062182

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P. Shankar)
Company Secretary
ACS-7624

As per our Report of even date

For PADMANABHAN RAMANI & RAMANUJAM
Chartered Accountants
(FRN: 002510S)

P. Ranga Ramanujam
Partner
Membership No. 022201
UDIN : 20022201AAAABD5352

For SREEDHAR SURESH & RAJAGOPALAN LLP
Chartered Accountants
(FRN: 003957S / S200145)

V. Suresh
Partner
Membership No. 026525
UDIN : 20026525AAAAAE2119

Place : Chennai
Date : May 20, 2020

भारतीय लेखापरीक्षा एवं लेखा विभाग
कार्यालय महानिदेशक वाणिज्यिक लेखापरीक्षा
तथा पदेन सदस्य लेखा परीक्षा बोर्ड, चेन्नै

Indian Audit and Accounts Department
Office of the Director General of Commercial Audit and Ex-Officio Member Audit Board, Chennai

सत्यमेव जयते

No: DGCA/CA-I/4-328/2020-21/ 85 **Date: 21.07.2020**

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF CHENNAI PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2020

The preparation of financial statements of Chennai Petroleum Corporation Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 07 July 2020 which supersedes their earlier Audit Report dated 20 May 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Chennai Petroleum Corporation Limited for the year ended 31 March 2020 under section 143(6)(a) of the Act. 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.

In view of the revision made in the statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

(R.AMBALAVANAN)
Director General of Commercial Audit &
Ex-officio Member Audit Board, Chennai

Place : Chennai
Date : 21.07.2020

भारतीय लेखापरीक्षा एवं लेखा विभाग
कार्यालय महानिदेशक वाणिज्यिक लेखापरीक्षा
तथा पदेन सदस्य लेखा परीक्षा बोर्ड, चेन्नै

Indian Audit and Accounts Department
Office of the Director General of Commercial Audit
and Ex-Officio Member Audit Board, Chennai

सत्यमेव जयते

No: DGCA/CA-I/4-328/2020-21/ 85

Date: 21.07.2020

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CHENNAI PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2020

The preparation of consolidated financial statements of Chennai Petroleum Corporation Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the-Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 20 May 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Chennai Petroleum Corporation Limited for the year ended 31 March 2020 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Chennai Petroleum Corporation Limited, but did not conduct supplementary audit of the financial statements of Indian Additives Limited and National Aromatics and Petrochemicals Corporation Limited for the year ended on that date. Further, section 139(5) and 143 (6) (a) of the Act are not applicable to Indian Additives Limited and National Aromatics and Petrochemicals Corporation Limited being private entities for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

(R. AMBALAVANAN)
Director General of Commercial Audit and
ex-officio Member, Audit Board, Chennai

Place : Chennai
Date: 21.07.2020

E-COMMUNICATION REGISTRATION FORM

(exclusively meant for Shareholders holding shares in physical form)

To,
KFintech Technologies Pvt Ltd.
Unit: CHENNAI PETROLEUM CORPORATION LIMITED
Selenium Tower B, Plot No. 31 & 32
Gachibowli, Financial District, Hyderabad – 500 032.

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.

Signing of Long Term Settlement with Union

Tree Plantation by MD on the Occasion of World Environment Day Celebration

Visit of Chairman to Manali Refinery

Sixth Board Strategy Meet at Mysore

Signing of Performance MoU

53rd Annual General Meeting

Managing Director, receiving the Golden Peacock Award for CSR

Parliamentary Committee on the Welfare of SCs/STs

Study visit of the Committee on Subordinate Legislation Rajya Sabha to Chennai on 21.01.2020

सी पी सी एल

CPCL

चेन्नै पेट्रोलियम कॉर्पोरेशन लिमिटेड

(इंडियनऑयल की ग्रुप कम्पनी)

Chennai Petroleum Corporation Limited

(A group company of Indian Oil)

Regd. Off.: New No: 536, Anna Salai, Teynampet, Chennai - 600 018.
Visit us at: www.cpcl.co.in