चेन्नै पेट्रोलियम कॉर्पोरेशन लिमिटेड
(इंडियनऑयल की ग्रुप कम्पनी)

Chennai Petroleum Corporation Limited
(A group company of IndianOil)

Fueling Growth by Investing in Future

55th Annual Report 2020-21

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VISION AND MISSION

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.

PROVIDING ENERGY
IMPROVING LIVES

Chennai Petroleum Corporation Limited (CPCL), one of the leading group companies of IndianOil, was conceived in 1960s as a 2.5 million metric tonnes per annum (MMTPA) refinery designed to produce fuels and lubes base stock. At CPCL, the past five decades have an eventful, growth-oriented phase as the CPCL family built the organisation to reach the present stature of 10.5 MMTPA capacity.

Today, CPCL stands tall among the public-sector refining companies in India, with one of the most complex refineries of its kind in the country, producing an array of value-added petroleum products. It also pioneered key initiatives in several areas such as process optimisation, technology absorption, energy conservation, waste land reclamation and environment management.

Present Shareholders

67.29%

Promoter & Promoter Group Shareholding

32.71%

Other Shareholders

(Public, Banks, Insurance Companies, UTI, Mutual Funds, IEPF, NRI's etc.)

RISING TO THE CHALLENGE

The Manali Refinery located at North Chennai has a capacity of 10.5 MMTPA. The refinery is one of the most complex and integrated refineries in India with three Crude Distillation Units (CDU/VDUs), Hydrogen Generation Units (HGUs), Hydro-Cracker unit (HCU), Fluid Catalytic Cracking unit (FCCU), Continuous Catalytic Reforming unit (CCRU), Isomerisation unit, Delayed Coker Unit (DCU), Visbreaker unit (VBU), Diesel Hydro De-sulphurisation unit (DHDS), Diesel Hydro-treating unit (DHDT), Lube Hydro-finishing unit, NMP Extraction unit, Propylene unit and Petrochemical Feedstock unit with fuel, lube, wax & petrochemical feedstocks production facilities.

The main products of the refinery are LPG, Motor Spirit, Superior Kerosene, Aviation Turbine Fuel, High Speed Diesel, Naphtha, Bitumen, Lube Base Stocks, Paraffin Wax, Fuel Oil, Hexane and Petrochemical feed stocks. Manali Refinery plays vital role of a mother industry supplying feedstocks to the neighbouring industries located in Manali, chennai.

Highest standards of Performance

235,000 barrels
Crude refining every day

Mother Industry
Downstream Petrochemical units

Integrated Refinery
Fuel, Lube & Petrochemical complex

World Class Licensors
State of the art Process technology

Continue to be dominant presence in fuelling India's energy needs.

The first refinery complex of CPCL was commissioned in 1969 with a capacity of 2.5 MMTPA (CDU-1). This refinery was designed to produce Lube oil based stocks (LOBS) in addition to Fuel products like LPG, MS, HSD, SKO, ATF, Naphtha and FO. Lube production includes process units like Aromatic extraction unit using NMP solvent, Dewaxing unit using MEK & Toluene solvent, Hydro-finishing unit.

The Manali refining capacity was doubled to 5.6 MMTPA in 1984 by setting up an additional Crude Distillation unit (CDU-2) with a capacity of 2.8 MMTPA. The secondary processing unit – FCC was also installed to increase the production of high value products like LPG and MS.

A Wax unit was set up to produce Paraffin and Match Wax. The capacity of CDU-2 was increased from 2.8 to 3.7 MMTPA through de-bottlenecking, taking the total refinery capacity to 6.5 MMTPA. In 1994, the Lube capacity was increased from 140 to 270 TMTPA by revamping Solvent Dewaxing unit.

CPCL implemented a 3 MMTPA refinery expansion project(Refinery-III) in 2004 with an additional crude distillation Unit (CDU-III) and increased the refining capacity of Manali refinery to 9.5 MMTPA. Refinery III revamp taken up during 2010, has further increased Manali Refining capacity to 10.5 MMTPA.

In order to maximize the distillate yield of the Manali Refinery, CPCL has implemented Resid Upgradation Project during Nov'2017. This project involved addition of new Delayed Coker Unit and Revamp of existing Hydro Cracker Unit along with other associated facilities. This project enabled improvement of Distillate yield, i.e, maximization of value added products.

State of the art Infrastructure

Scintillating Science

Commanding Controls

Modelling the future

Redefining Research

FUELS

As a part of Nation's vision towards Environment protection, the auto fuel policy has envisaged BS-VI grade fuel to the market effective from 1st April 2020.

The existing BS-IV grade of auto fuel contains Sulphur less than 50 ppm and the BS VI grade contains only 10 ppm Sulphur. Also, with the implementation of BS-VI grade fuel, emissions levels are expected to reduce significantly.

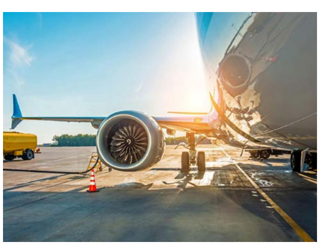
CPCL has taken several projects and schemes to produce Petrol and Diesel with compliance to BS-VI grade and CPCL Manali refinery is supplying BS-VI complaint Petrol and Diesel since 1st December 2019.

Liquefied Petroleum Gas (LPG)

Naphtha

Motor Gasoline (MS BS-VI)

Kerosene



Aviation Turbine Fuel (ATF)

Aviation Turbine Fuel with High Flash Point (JP5)

Automotive High Speed Diesel (HSD BS-VI)

High Flash Diesel (NATO grade)

Light Diesel Oil (LDO)

Fuel Oil (FO) Non-Bunker

Fuel Oil (FO-180) Bunker grade

Fuel Oil (FO-380) Bunker grade

LUBES

CPCL produces five grades of Group-I High Viscosity Index (HVI) Lube Oil Base Stock products and two grades of Extracts (500N & BN). Various grades of Wax are produced from CPCL (Type-II,IIA,III).

Paving Bitumen

Lube Oil Base Stocks

Extract

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. KFin 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. Lalit Kumar Mohanty
Deputy Company Secretary
Phone: 044 - 24349833, ext - 318

COMPLIANCE OFFICER

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

STATUTORY 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: sreedhar@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

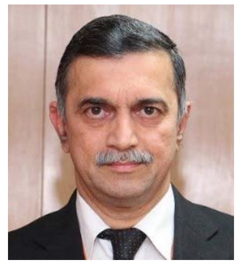
DEBENTURE TRUSTEE

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

CPCL

BOARD OF DIRECTORS



Mr.S.M. Vaidya
Non-Executive Chairman

Mr.Rajeev Ailawadi
Director(Finance) &
Managing Director (I/C)

2 3 5 C 6 7

Mr.S.Krishnan
Director(Operations)

5 6 7

Mr.H.Shankar
Director (Technical)

2 5 6 7

Mr.Sukh Ram Meena, DDG, MoP&NG
Nominee Director, GoI

1 2 3 4 5

Mr.Manoj Sharma
Nominee Director
(Indian Oil Corporation Limited)

4 C 5 6

Mr.Babak Bagherpour
Nominee Director -
Naftiran Intertrade Co. Ltd.

3

Mr.M.B.Dakhili
Nominee Director -
Naftiran Intertrade Co. Ltd.

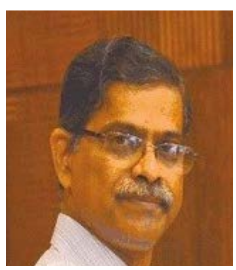
2

Mr.D.Duraiganesan
Independent Director

1 3 (C) 4

Mr.Amitabh Mathur
Independent Director

1 4 (C) 5



Mr.Myneni Narayana Rao
Independent Director

1 (C) 2 (C) 6

Mrs.Sobhana Surendran
Independent Director

3

1 Audit Committee

2 CSR & SD Committee

3 Stakeholders Relationship Committee

C Chairman

4 Nomination and Remuneration Committee

5 Board Project Committee

6 Risk Management Committee

7 Planning and Projects Committee

MILESTONES DURING THE YEAR

Inauguration of 9 mmtpa CBR Project by PM

Inauguration of FCCGDS Project by PM

CPCL has won the Achiever's award in "Biggest Public Sector Investment" category by Business Today and Government of Tamilnadu. The award for the period of three years, commencing from 2017-18 was presented by the Hon'ble Chief Minister of Tamilnadu on 16th Feb, 2021 at Chennai.

POLICIES OF CPCL

CPCL has formulated the following policies reflecting the Corporate Governance framework of 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
- Conduct, Discipline and Appeal Rules for Employees
- Conciliation Policy
- Policy on Safety, Health and Environment

The above policies have been posted on the website of the company and can be accessed at http://www.cpcl.co.in/Company/Overview/our-policies

- Risk Management Policy
- Integrity Pact

EXECUTIVES

Mr.J.T.Venkateswarlu
Chief Vigilance Officer

Mr.P.Jeevankumar
CGM-Projects & Engineering Services

Mr.S.Shanmugasundaram
CGM-Maintenance & P&U

Mr.T.N.K Bapiraju
CGM - Technical

Mr.B.Panneer Selvam
CGM - (Technical) (upto 30.06.2021)

Mr.M.Tamizhmuthalvan
CGM-HR

Mr.G.Premchand
CGM-Logistics

Mr.S.Venkateswaran
CGM - Finance

Mr.S.Sadagopan
CGM - (CP/BD/R&D) (from 01.06.2021)

Mr.P.Subrahmanyam
CGM (CP) (upto 31.05.2021)

Mr.R.V.Anand
CGM - (CBR Project) (from 01.06.2021)

Mr.V.Shankar
CGM (9MMTPA-CBR) (upto 31.05.2021)

Mr.P.Kannan
CGM - Operations (from 01.07.2021)

Mr.P.Shankar
DGM-Company Secretary

CPCL

TEN YEARS PROFILE

WHAT WE OWE AND WHAT WE OWN

(₹ in Crore)

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
What We Owe										
Equity Share Capital	149	149	149	149	149	149	149	149	149	149
Reserves	3644	1877	1573	1506	2212	3165	3708	3161	1043	1276
Networth	**3793**	**2026**	**1722**	**1655**	**2361**	**3314**	**3857**	**3310**	1192	1425
Preference Share Capital	-	-	-	-	1042	1080	1080	547	572	606
Borrowings	3672	5906	5600	5600	5399	3567	4501	6121	8126	8561
Deferred Tax Liability	638	707	703	-	-	24	206	121	-	104
Total	**8103**	**8639**	**8025**	**7054**	**6970**	**8919**	**8554**	**10099**	**9890**	**10696**
What We Own										
Fixed Assets	6886	8056	8166	8176	4379	4456	6829	8341	8889	9408
Less: Depreciation	3185	3499	3882	4106	265	578	940	1387	1876	2311
Fixed Assets (Net WDV)	**3701**	**4557**	**4284**	**4070**	**4114**	**3878**	**5889**	**6954**	**7013**	**7097**
Intangible Assets	48	48	49	49	6	7	28	28	28	55
Less: Amortisation	33	37	41	42	1	2	3	5	6	10
Intangible Assets (Net WDV)	**15**	**11**	**8**	**7**	**5**	**5**	**25**	**23**	**22**	**45**
Capital WIP	1019	176	364	840	1753	2843	1439	1221	1603	1553
Investments	24	24	25	25	12	12	12	12	12	12
Deferred Tax Asset	-	-	-	-	-	-	-	-	934	-
Working Capital	3344	3871	3344	2112	1085	2181	1190	1889	306	1989
Total	**8103**	**8639**	**8025**	**7054**	**6970**	**8919**	**8554**	**10099**	**9890**	**10696**

FINANCIAL INDICATORS

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Debt Equity Ratio (as per Companies Act)	0.97	2.91	3.25	3.26	1.05	1.02	0.69	1.59	4.60	**4.22**
Earnings per share (₹)	4.15	(118.65)	(20.40)	(2.62)	49.82	69.15	61.31	(14.33)	(139.52)	**15.95**
Profit After Tax to Average Networth (%)	1.64	(60.72)	(16.21)	(2.31)	36.94	36.29	25.46	(5.95)	(92.30)	**18.16**
Dividend (%)	20	-	-	-	40	210	185	-	-	**-**
Dividend Payout (%)	48.17	-	-	-	8.03	30.37	30.18	-	-	**-**

CPCL

WHAT WE EARNED AND WHAT WE SPENT

(₹ in Crore)

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
WHAT WE EARNED										
Income										
Turnover	45385	46842	53924	47878	34954	40586	44135	52177	48624	41814
Interest	44	12	14	26	16	16	19	29	18	14
Miscellaneous Receipts	41	29	45	29	38	46	73	54	87	178
Change in Inventories	537	205	72	(1321)	(209)	(105)	607	410	(990)	892
Prior Period Income/ (Expenses)	(9)	(1)	13	(4)	-	-	-	-	-	-
Sub-Total	**45999**	**47087**	**54068**	**46608**	**34799**	**40543**	**44834**	**52670**	**47739**	**42898**
WHAT WE SPENT										
Expenditure										
Raw Materials	39731	42709	47469	39558	23107	24442	29728	39634	36698	20013
Excise Duty	4630	3996	4583	6010	9125	12916	11661	10863	11533	19454
Manufacturing Expenses	224	296	306	277	310	315	322	448	447	345
Employee Benefits Expenses	253	315	292	339	357	513	582	461	512	565
Other Expenses	705	625	791	536	515	378	418	688	628	401
Finance Costs	249	469	568	404	352	273	321	420	413	375
Depreciation and Amortisation	365	375	390	226	274	279	340	453	468	466
Impairment on PPE/ CWIP/Intangible Assets	-	-	-	-	-	62	4	1	54	2
Sub-Total	**46157**	**48785**	**54399**	**47350**	**34040**	**39178**	**43376**	**52968**	**50753**	**41621**
Profit Before Tax	**(158)**	**(1698)**	**(331)**	**(742)**	**759**	**1365**	**1458**	**(298)**	**(3016)**	**1277**
Provision for Taxation	(220)	69	(27)	(703)	17	335	545	(85)	(938)	1039
Profit After Tax	**62**	**(1767)**	**(304)**	**(39)**	**742**	**1030**	**913**	**(213)**	**(2078)**	**238**
Other Comprehensive Income	-	-	-	-	(2)	(6)	6	(2)	(40)	(5)
Total Comprehensive Income	**62**	**(1767)**	**(304)**	**(39)**	**740**	**1024**	**919**	**(215)**	**(2117)**	**232**
Dividend incl. Dividend Distribution Tax	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	2019-20	2020-21	Change in %
Debtors turnover ratio (No. of Days)	0.93	1.75	-88%
Inventory turnover ratio (No. of Days)	22.87	86.56	-279%
Interest coverage ratio	(6.30)	4.40	170%
Debt Equity Ratio	4.60	4.22	8%
Operating profit margin (%)	(8.34)	5.23	164%
Net Profit Margin (%)	(5.60)	1.06	119%
Return on Net Worth	(1.74)	0.17	110%
Current Ratio	1.11	1.59	44%

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 55th Annual General Meeting of the members of CPCL will be held **on Friday, the 20th August 2021, at 3.00 P.M** through Video Conference (VC)/ Other Audio Visual Means (OAVM), to transact the following businesses. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company at No.536, Anna Salai, Teynampet, Chennai- 600018, which shall be the deemed venue of the AGM.

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Financial Statement of the Company (Standalone and Consolidated) for the period from 1st April 2020 to 31st March 2021, together with the Directors' Report and the Auditor's Report.

2. To appoint a Director in place of Mr. S.Krishnan (DIN:08691391), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESSES:

3. APPOINTMENT OF MR. H.SHANKAR (DIN: 08845247) 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.H.Shankar (DIN 08845247) who was appointed as an Additional Director and designated as Director(Technical) by the Board of Directors with effect from 01.10.2020 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(Technical) of the Company liable to retire by rotation."

4. **APPOINTMENT OF MR. SUKH RAM MEENA (DIN 09011328) 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 Companies Act 2013 read with Rules made thereunder including any statutory modifications or re-enactment thereof for the time being in force, Mr. Sukh Ram Meena (DIN 09011328) who was appointed as an Additional Director by the Board of Directors with effect from 28.12.2020 pursuant to the provisions of Section 161(1)of the Companies Act 2013 and the Articles of Association of the Company 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 a Director liable to retire by rotation."

5. **RATIFICATION OF REMUNERATION OF COST AUDITOR FOR THE YEAR 2021-22**

   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 ₹ 2,75,000 /-(Rupees Two lakh Seventy Five 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 2021-22 payable to M/s. Vivekanandan Unni & Associates, Cost Accountants, Chennai, the cost auditor of the company be and is hereby ratified".

6. **INCREASING THE BORROWING POWERS OF THE COMPANY FROM ₹ 10,000 CRORES TO ₹ 11,500 CRORES**

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

   "RESOLVED THAT *in supersession of the special resolutions passed by shareholders at the 53rd Annual General meeting of the company held on 21.08.2019 and pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force), the rules notified thereunder and the Articles of Association of the Company, approval of the*

Shareholders be and is hereby accorded to the Board of Directors to borrow money through loans, advances, credit etc. for both domestic and foreign currency borrowings upto ₹ 11,500 crore (including public deposits but excluding temporary loans obtained from the Company's bankers in the ordinary course of business) from banks, financial institutions and other sources from time to time for the purpose of financing the working capital requirements as also for acquisition of capital assets and/or for the purpose of any other requirements of the Company, both for capital and revenue in nature, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes."

7. CHARGING/ MORTGAGING THE MOVEABLE/ IMMOVEABLE PROPERTIES OF THE COMPANY FOR THE BORROWINGS UNDER SECTION 180 (1)(A) OF THE COMPANIES ACT, 2013.

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

"RESOLVED THAT *in supersession of the special resolutions passed by shareholders at the 53rd Annual General Meeting of the company held on 21.08.2019 and pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), the rules notified thereunder and the Articles of Association of the Company and such other approvals as may be necessary, approval of the shareholders be and is hereby accorded to the Board of Directors to mortgage and/ or charge, in addition to the mortgages / charges created / to be created by the Company in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable / immoveable properties of the Company, both present and future and/or whole or any part of undertaking(s) of the Company in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings of the Company availed / to be availed by way of loan(s) in foreign currency and/or rupee currency and Securities (comprising fully / partly Convertible Debentures and/or Non-Convertible Debentures, on all or any of the above, with or without detachable or non-detachable warrants and/or secured premium notes and/ or floating rates notes / bonds or other debt instruments) issued / to be issued by the Company, from time to time, subject to the limits approved under section 180(1)(c) of the Companies Act, 2013, together with interest at the respective agreed rates, additional interest, compound interest, in case of default accumulated interest, liquidated damages, commitment charges, premia on prepayments, remuneration of the Agent(s) / Trustee(s), premium (if any) on redemption, all other costs, charges and expenses as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s) / Heads of Agreement(s), Trust Deed(s) or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) / Trustee(s), in respect of the said loans / borrowings / debentures / bonds or other securities and containing such specific terms and conditions covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s) / Agent(s) / Trustee(s)."*

"RESOLVED FURTHER THAT *for the purpose of giving effect to the above resolutions, the Managing Director or Director (Finance) or any officer(s) authorized by them in this regard be and are hereby authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulties or doubts that may arise with regard to borrowings and creating mortgages / charges as aforesaid."*

8. TO PARTICIPATE AND TO INVEST IN THE JOINT VENTURE COMPANY PROPOSED TO BE FORMED FOR IMPLEMENTING 9 MMTPA CAUVERY BASIN REFINERY (CBR) PROJECT:

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

"RESOLVED THAT pursuant to Article 61 of the Articles of Association of the Company and other applicable provisions, if any, of the Companies Act 2013, approval be and is hereby accorded to the Board of Directors of the Company to participate and to invest in the Joint Venture Company proposed to be formed for implementing 9 MMTPA CBR Project, at Nagapattinam, subject to other statutory approvals as may be required."

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.

Date: 25.06.2021
Place: Chennai

Notes for e-AGM Notice

1. Pursuant to the General Circular nos. 20/2020, 14/2020, 17/2020, 02/2021 issued by the Ministry of Corporate Affairs ("MCA") and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the Securities and Exchange Board of India ("SEBI") (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the 55th Annual General Meeting of the company is being conducted through Video Conferencing (VC) herein after called as "e-AGM".

2. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and proxy need not be a member of the company. However, MCA while granting the relaxations to hold the AGM through VC has also provided exemption from the requirement of appointing proxies. Hence for this AGM the facility for appointment of proxy by the members is not being provided. Accordingly, the proxy form, attendance slip and the route map of the venue has also not been provided along with the notice. The members are requested to participate in the AGM in person through VC from their respective location.

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) as amended :

    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. Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OAVM and participate there at 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@kfintech.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, 55th 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 cut-off date shall be 13.08.2021 (Friday) for the purpose of determining the eligibility of shareholders to participate in the 55th AGM.

10) A statement setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Businesses 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 Agent 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. Since no dividend was declared for the FY 2012-13, no unclaimed dividend needs to be transferred to IEPF during 2020-21.

16) 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 transferred the underlying shares in respect of which dividend for the year 2011-12 had remained unclaimed for a consecutive period of 7 years to IEPF in November 2019. Since no dividend was declared for the FY 2012-13, no shares needs to be transferred to IEPF during 2020-21.

The details of such shares transferred to IEPF were also hosted in the website of the Company **https://www.cpcl.co.in/investors/share-holder-information/iepf/.**

It would be noted that no dividend has been declared by the company for the year 2013-14 and hence no dividend amount and underlying shares remain to be transferred upon completion of 7 years, in October/November 2021, to IEPF. No dividend was declared for the financial year 2008-09, 2012-13 to 2014-15 and 2018-19 to 2019-20. 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/investors/shareholder-information/iepf/.**

17) 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.

18) 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 55th 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. 20.08.2021 (Friday). Members seeking to inspect such documents can send an email to **investors@cpcl.co.in/shankarp@cpcl.co.in/sriramas@cpcl.co.in.**

19) 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, 13.01.2021 and 15.01.2021, Notice of the AGM along with the Annual Report 2020-21 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 2020-21 will also be available on the Company's website **https://www.cpcl.co.in/investors/financials/annual-reports/** 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 viz**., www.kfintech.com.**

20) Instructions for the Members for attending the e-AGM through Video Conference:

1. **Attending e-AGM through Video conferenece :** Members 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.

2. 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.
3. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
4. 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.
5. 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.
6. Members who need assistance before or during the AGM, can contact RTA viz., M/s. KFinTechnologies Pvt Ltd on e-voting @kfintech.com/or Mr.Mohsin, Senior Manager, KFinTechnologies Pvt Ltd at 040- 67161562/9177401094.
7. **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 posting of the questions shall commence on **Monday, the 16th August 2021 (9.00 am) and close on Wednesday, the 18th August 2021(5.00 pm).**
8. **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 commence on **Monday, the 16th August 2021 (9.00 am) and close on Wednesday, the 18th August 2021 (5.00 pm).**

21) Instructions for members for e-Voting during the e-AGM session:

1. 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.
2. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
3. 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.

22) 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 13.08.2021 (Friday) (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:

(A) Instructions for remote e-voting by (i) shareholders other than individuals holding shares of the company in demat mode and (ii) all shareholders holding shares in physical mode.

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

ii. Launch internet browser and type the URL: **https://evoting.kfintech.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 16th August 2021 (9.00 am) to Thursday, the 19th August 2021 (5.00 pm).** 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.kfintech.com** or call KFin on 1800 309 4001 (toll free).

xiv. Instructions for remote e-voting by Individual shareholders holding securities in demat mode.

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Individual Shareholders holding securities in demat mode with CDSL	Existing user who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KFINTECH , LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/ EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

23) 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.

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

25) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the electronic votes cast during the AGM and thereafter unblock and count the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the 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.

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

27) The result declared along with the Scrutinizer's Report shall be placed on the Company's website https://www.cpcl.co.in/investors/financials/exchange-intimations/ and on the website of KFin Technologies Pvt Ltd https://www.evoting.kfintech.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.

28) **Process for registration of email address for obtaining Annual Report 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 karisma.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 **https://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. 3

Mr. H.Shankar, was appointed as an Additional Director with effect from 01.10.2020. As per the provisions of Section 161 of the Companies Act, 2013, Mr. H.Shankar will hold office only upto the date of the 55th Annual General Meeting of the Company.

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

Mr.H.Shankar 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.H.Shankar. He does not hold any shares in CPCL.

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

Item No.4

Mr. Sukh Ram Meena was appointed as an Additional Director with effect from 28.12.2020. As per the provisions of Section 161 of the Companies Act, 2013, Mr. Sukh Ram Meena will hold office only upto the date of the 55th Annual General Meeting of the Company.

A Notice under section 160 of the Companies Act, 2013 has been received proposing the appointment of Mr.Sukh Ram Meena as a Director under the Companies Act 2013.

Mr. Sukh Ram Meena 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 Mr. Sukh Ram Meena. He does not hold any shares in CPCL.

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

Item No. 5

The proposal for appointment of M/s.Vivekanandan Unni & Associates, Cost Accountants, Chennai as the Cost Auditor of the Company for the Financial Year 2021-22 at a remuneration of ₹ 2,75,000/- 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 25.01.2021 and 30.01.2021 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 ₹ 2,75,000/- 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 2021-22 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.

Item Nos 6 and 7:

The current level of long-term rupee borrowings as of 31.03.2021 is at ₹ 2452 crore and the current level of short term borrowings as of 31.03.2021 is at ₹ 6110 Crore totalling to ₹ 8562 Crore as against the approved limit of ₹ 10,000 Crore. The aggregate of paid up Equity capital and free reserves as on 31.03.2021 is ₹ 1425 Crore and the outstanding preference shares as on 31.03.21 is ₹ 606 crore.

The short term borrowings of the company have undergone fluctuations on account of volatility in crude prices. The global oil prices have witnessed a sharp decline during March 2021 due to covid 19 pandemic.

The international prices of crude and products crashed on account of sharp decline in demand due to covid 19 pandemic situation and the consequent lock down in India impacted the off take of products. Further lower demand for crude oil and petroleum products impacted the prices and refining margins of the company. With the volatility in price, margins and GRMs, the cash accrual is also expected to be more volatile.

Capacity utilization has been less than normal due to pandemic situation and lock down leading to inventory build up and operating at lower thruput levels leads to increased requirement of borrowings on account of mis-match in payables versus receipts on sales which might require additional temporary funding requirements from time to time.

Further, the proposal for setting up a new 9 MMTPA Refinery at Cauvery Basin Refinery, Nagapattinam, has been approved by the Board of CPCL and IOCL at an gross estimated cost of ₹ 31580 crore. The approved cost for Detailed Feasibility Study activities is ₹ 402 Crore and the expenditure in this regard is being incurred. Further, your company's Equity contribution would be ₹ 2570 crore over the next few years. In order to ensure speedy implementation, funds would be required to continue the project activities, which is already in progress. Also, till the funding plan is finalized and approved, the expenditure with regard to project activities needs to funded.

In view of increase in the fund requirements of the company to meet the Capital expenditure programme, in respect of the above and the increase in working capital requirements, the borrowing limit is proposed to be enhanced from current level of ₹ 10,000 Crore to an overall borrowing limit ₹ 11,500 Crore, which would include cash credit facility extended by the Company's Bankers and to create charge / mortgage the moveable / immoveable properties of the Company for the borrowings.

The proposal to increase the borrowing limits from ₹ 10,000 crore to ₹ 11,500 crore and for creating charge / mortgage the moveable / immoveable properties of the Company for the borrowings requires the approval of the shareholders by way of special resolution.

The Board therefore, recommends the Special Resolutions vide Item no 6 and 7 for approval by members.

Memorandum of Interest:

None of the Directors, Key Managerial Personnel and their relatives are interested in the resolution, except to the extent of their respective holding of equity shares in the company.

Item No:8

Based on the recommendation of the Board of Directors of your Company on 15.01.2021, the Board of Directors of Indian Oil Corporation Ltd, the holding company and approving authority at the meeting held on 29.01.2021 accorded approval to implement the 9 MMTPA Refinery Project at CBR, Nagapattinam at an estimated cost of ₹ 29361 Crore (+/– 10% accuracy), net of GST and incentives from Government of Tamil Nadu, subject to approvals from Niti Aayog and other statutory approvals and also accorded in-principle approval for the formation of a Joint Venture with 50% Ownership to be held equally by CPCL and Indian Oil Corporation Limited and balance 50% by other Strategic / Financial Investors, to be identified at a later stage.

Ministry of Petroleum and Natural Gas, Government of India vide letter dated 15.06.2021 informed that Niti Aayog has conveyed their concurrence for CPCL's proposal for formation of Joint Venture Company between IOCL, CPCL and other strategic/financial investors for implementation of 9 MMTPA Refinery Project at CBR, CPCL, Nagapattinam. Further it has been conveyed by DIPAM that the instant proposal of CPCL does not require approval of DIPAM.

Detailed Feasibility Report has been prepared by Engineers India Ltd. Financial appraisal for the project is done by M/s SBI CAPS. Capital Cost of the Project is estimated to be ₹ 29,361 crore (+/-10% accuracy), This excludes Hydrogen, Crude & Product Tanks and Desalination plant, which are proposed to be implemented on Built, Own and Operate (BOO) basis. The estimated gross cost of the Project is ₹ 31,580 Crores and the debt-equity ratio would be 65:35.

The project is proposed to be executed through a Joint Venture Company with 50% Ownership to be held equally by CPCL and Indian Oil Corporation Limited and balance 50% by other Strategic / Financial Investors, to be identified at a later stage. CPCL will restrict its equity contribution to 25% of the total Equity of the JV Company, which would be ₹ 2570 Crore and the same will be funded mainly from the internal resources of CPCL during the period 2021-25.

As per Article 61 of the Articles of Association of the Company, approval of the members of the company by a special resolution shall be necessary for the following actions in addition to those instances where a special resolution is required by the Act or under these Articles: i) Long term investments of earned surplus or its disposition otherwise than in the ordinary course of business operations of the company; and ii) participating in other enterprises, or substantially changing the activities of the company.

The present special resolution is intended for the purpose.

The Board therefore, recommends the Special Resolutions vide Item no 8 for approval by members.

Memorandum of Interest:

None of the Directors, Key Managerial Personnel and their relatives are interested in the resolution, except to the extent of their respective holding of equity shares in the company.

BRIEF RESUME OF THE DIRECTORS OF THE COMPANY, SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 55TH ANNUAL GENERAL MEETING

1) 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.,

   MrS.Krishnan, is the member of Risk Management Committee, Board Project Committee and Planning and Projects Committee of CPCL. He is also the Chairman of Audit Committee of Indian Additives Ltd.

   Inter-se relationship between Directors is none.

Number of Board Meeting attended during 2020-21	- 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.H.Shankar, born on 06.03.1969 was appointed on the Board effective 1.10.2020. He holds a Bachelor's Degree in Mechanical Engineering from Osmania University, Hyderabad. He also holds a Master's Degree in Business Administration in General Management from Maharaja Sayajirao University. He joined IOCL in the year 1992. He has got nearly three decades of experience in the areas of Engineering, Maintenance, Project construction, Project Management, Materials & Contracts Management and indepth knowledge in Health, Safety and Environment.

   He is the member of Risk Management Committee, CSR & SD Committee, Board Project Committee and Planning and Projects Committee of CPCL. Inter-se relationship between Directors is none.

Number of Board Meeting attended during 2020-21	- 3
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

3) Mr.Sukh Ram Meena born on 15.07.1964 was appointed on the Board effective 28.12.2020. He is an M.A. (Economics) and LLB. He belongs to 1986 batch of Indian Statistical Services. He has worked in various capacities in Government Departments / Ministries. Presently, he is the DDG, Finance, MoP&NG handling financial matters of the Ministry and Oil and Gas PSUs.

   Mr.Sukh Ram Meena is the member of Audit Committee, Stake Holders Relationship Committee, Nomination and Remuneration Committee, Board Project Committee and CSR & SD Committee of CPCL. Inter-se relationship between Directors is none.

Number of Board Meeting attended during 2020-21	- 1
Details of Directorships in other companies	- Nil
No of Shares held in the company as on date	- Nil
Membership / Chairmanship in the Committees of other companies	- 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 : 25.06.2021
Place : Chennai

REPORT ON CORPORATE GOVERNANCE 2020-21

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

CPCL adopts sound corporate governance practices aimed towards enhancing the value of its stakeholders and at the same time promoting development and growth. CPCL has always laid focus on timely dissemination of accurate information not only to the Regulators but also to the stakeholders at large.

CPCL's Corporate Governance framework 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 https://www.cpcl.co.in/company/overview/our-policies/

- 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, Projects, 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 31.03.2021, 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); Three whole-time Functional Directors, viz., Director (Finance) & MD (i/c), Director (Operations) and Director (Technical); Executive Director (Operations) of Indian Oil Corporation Limited, representing holding company; One 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 post of Managing Director is vacant from 01.02.2021, consequent to the superannuation of Mr.S.N.Pandey the then Managing Director effective 31.01.2021. Mr.Rajeev Ailawadi, Director (Finance) is holding the additional charge of the post of Managing Director in terms of letter dated 27.01.2021 and 24.03.2021 from Ministry of Petroleum and Natural Gas, Government of India.

The details are as under:

Sl. No.	Name & DIN	Category	Designation	Date of Appointment	Tenure upto
1.	S.M.Vaidya 06995642	Non- Executive	Non-Executive Chairman	01.07.2020	31.08.2023
2.	Rajeev Ailawadi 07826722	Whole-time Director	Director (Finance) & Managing Director (i/c)	08.05.2018	28.02.2023
3.	S.Krishnan 08691391	Whole-time Director	Director (Operations)	01.03.2020	31.07.2023
4.	H.Shankar 08845247	Whole-time Director	Director (Technical)	01.10.2020	30.09.2025
5.	Manoj Sharma 08777977	Non- Executive Director	Nominee of IOCL	24.07.2020	Till further orders from IOCL
6.	Sukh Ram Meena 09011328	Non- Executive Director	Government Nominee Director	28.12.2020	For a period of 3 years on co-terminus basis or until further orders from MOPNG whichever is earlier.
7.	Mohammad Bagher Dakhili 07704367	Non- Executive Director	Nominee of NICO	23.01.2017	Till further orders from NICO
8.	Babak Bagherpour 08341090	Non- Executive Director	Nominee of NICO	27.03.2019	Till further orders from NICO
9.	D.Duraiganesan 08200628	Non- Executive Director	Independent Director	14.08.2018	3 years
10.	Amitabh Mathur 07275427	Non- Executive Director	Independent Director	29.07.2019	3 years
11.	Myneni Narayana Rao 00577494	Non- Executive Director	Independent Director	29.07.2019	3 years
12.	Sobhana Surendran 08599985	Non- Executive Director	Independent Director	31.10.2019	3 years

Out of the total number of Twelve Directors as on 31.03.2021, 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 (LODR)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 including One Woman Independent Director in line with the minimum requirement of one (01) Woman Director as against the requirement of 9. 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.

The Letters issued to Independent Directors regarding their appointment along with letters from Ministry of Petroleum and Natural Gas, are hosted on the website of the Company www.cpcl.co.in/investors/financials/statutory disclosure.

As required under the SEBI (LODR), Regulations, 2015, 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 except nominees of NICO 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). However, the Board of CPCL comprises of Directors having diverse experience, qualifications, skills, expertise etc. which are aligned with the Company's business, overall strategy, values and culture etc.

c) BOARD MEETINGS:

The Board of Directors looks after the overall functioning of the Company and has formulated strategies in order to achieve the objectives of the Company. The Board has constituted various Committees in line with the statutory requirements which facilitate expeditious decision making process. The facility of participation in the meetings through video conferencing is provided to the Directors.For paperless Board Meetings, the agenda items are uploaded well in advance 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, 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 all statutory, other significant & material information including the information mentioned in Regulation 17(7) read with Part A of Schedule II of SEBI (LODR) and Annexure IV of the Guidelines on Corporate governance issued by Department of Public Enterprises for Government Companies.

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 (06) Board meetings were held during the year 2020-21 on the following dates:

Board Meeting No.	Board Meeting Date	Board strength	Number of Directors present
336	20.05.2020	13	13
337	03.06.2020	13	13
338	24.07.2020	13	13
339	21.10.2020	13	13
340	25.01.2021	13	12
341	30.01.2021	13	13

Attendance of Directors at the Board Meetings held during the financial year 2020-2021 and at the last Annual General Meeting held on 11.09.2020, 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 11.09.2020 (YES/NO/NA)	NO. OF DIRECTORSHIP IN OTHER COS. AS ON 31.03.2021	MEMBERSHIP OF COMMITTEES IN OTHER COS. INCL. CPCL AS ON 31.03.2021	CHAIRMANSHIP OF COMMITTEES IN OTHER COS. INCL. CPCL AS ON 31.03.2021
Non-Executive Chairman Mr.S.M.Vaidya **(w.e.f 01.07.2020)**	6(6)	YES	5 (Chairman - IOCL) (Non-Executive Chairman - RRPCL, IOTL & HURL) (Non-Executive Director- PLL)	1 (IOCL – NRC)	4 (IOCL – RMC, PPC, Deleasing of Immoveable Properties Committee Contracts Committee, LNG Sourcing Committee)
Mr.Sanjiv Singh **(upto 30.06.2020)**	2(2)	NA	NA	NA	NA
Whole-Time Directors					
Mr.Rajeev Ailawadi, Director (Finance) & Managing Director (i/c)	6(6)	YES	2 (Non-Executive Chairman – IAL & AROCHEM)	4 (CPCL - SRC, CSR&SD, BPC & PPC)	1 (CPCL – RMC)
Mr.S.Krishnan, Director (Operations)	6(6)	YES	2 (Non-Executive Director – IAL & AROCHEM)	3 (CPCL – RMC, BPC & PPC)	1 (IAL – AC)
Mr.H.Shankar Director (Technical) **(w.e.f 01.10.2020)**	3(3)	NA	NIL	4 (CPCL – CSR&SD, RMC, BPC & PPC)	NIL
Mr.S.N.Pandey Managing Director **(upto 31.01.2021)**	6(6)	YES	NA	NA	NA
Mr.R.Srikanthan, Director (Technical) **(upto 30.09.2020)**	3(3)	YES	NA	NA	NA
Part-Time Non-Executive Director (IOCL Nominee)					
Mr.Manoj Sharma **(w.e.f 24.07.2020)**	4(4)	YES	1 (Non - Executive Director – RRPCL)	2 (CPCL – NRC & RMC)	1 (CPCL – BPC)
Independent Directors					
Mr.Amitabh Mathur	6(6)	YES	NIL	2 (CPCL – AC & BPC)	1 (CPCL – NRC)
Mr.Myneni Narayana Rao	6(6)	YES	4 (Independent Director – WSS & Avantel Ltd.) (Non-Executive Director – KMV Projects Ltd. & Bridge Engineering India Pvt. Ltd.)	4 (CPCL – RMC) (WSS – AC) Avantel Ltd. – AC and NRC)	2 (CPCL – AC & CSR&SD)
Mr.D.Duraiganesan	6(6)	YES	NIL	2 (CPCL – AC & NRC)	1 (CPCL – SRC)
Mrs.Sobhana Surendran	6(6)	YES	NIL	1 (CPCL – SRC)	NIL

NAME OF THE DIRECTOR	NO. OF BOARD MEETINGS ATTENDED OUT OF MEETINGS HELD DURING THE TENURE OF DIRECTOR	ATTENDANCE AT THE AGM ON 11.09.2020 (YES/NO/NA)	NO. OF DIRECTORSHIP IN OTHER COS. AS ON 31.03.2021	MEMBERSHIP OF COMMITTEES IN OTHER COS. INCL. CPCL AS ON 31.03.2021	CHAIRMANSHIP OF COMMITTEES IN OTHER COS. INCL. CPCL AS ON 31.03.2021
Part-Time Non-Executive Director (Government Nominee)					
Mr.Sukh Ram Meena **(w.e.f 28.12.2020)**	1(2)	NA	NIL	5 (CPCL – AC, SRC, NRC, & CSR&SD, BPC)	NIL
Mrs.Perin Devi **(upto 23.11.2020)**	4(4)	NO	NA	NA	NA
Part-Time Non-Executive Director (NICO Nominee)					
Mr.M.B.Dakhili	6(6)	YES	1 (Non-Executive Director – MFL)	4 (CPCL – CSR&SD) (MFL – AC, RMC, NRC)	1 (MFL - SRC)
Mr.Babak Bagherpour	6(6)	YES	1 (Non-Executive Director – MFL)	1 (CPCL - SRC)	NIL

Note:

1) Shri.S.M.Vaidya is also Chairman of i) Indian Oil Corporation Ltd (IOCL); He is also a Non-Executive Chairman in ii) Hindustan Urvarak and Rasayan Ltd (HURL) iii) Ratnagiri Refinery and Petrochemicals Company Ltd (RRPCL) iv) Indian Oil Tanking Ltd (IOTL) and Non-Executive Director in v) Petronet –LNG Ltd (PLL).

2) **IAL** stands for Indian Additives Ltd.

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

4) **MFL** stands for Madras Fertilizers Limited

5) **RRPCL** stands for Ratnagiri Refinery & Petrochemicals Company Limited

6) **WSS** stands for Welspun Specialty Solutions Ltd.

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 (RMC), Board Project Committee (BPC), Deleasing of Immoveable Properties Committee, Contracts Committee, LNG Sourcing Committee and Planning and Projects Committee (PPC).

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.S.M.Vaidya	Chairman, Indian Oil Corporation Ltd Chairman, Petronet LNG Ltd.
2	Mr.Myneni Narayana Rao	Independent Director, Welspun Specialty Solutions; Avantel Ltd.
3	Mr.Babak Bagherpour	Director, Madras Fertilizers Ltd
4	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 https://www.cpcl.co.in/company/overview/our-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 31.03.2021 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 342nd Meeting held on 28.04.2021.

As required under Regulation 17 of SEBI (LODR), 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 31.03.2021 and the same was informed to the Board at the 342nd Meeting held on 28.04.2021".

RAJEEV AILAWADI
D(F)&MANAGING DIRECTOR(I/C)

Place: Chennai
Date: 28.04.2021

g) **SHAREHOLDING OF DIRECTORS:**

Name of Director	Designation	Number of shares
R.Srikanthan **(upto 30.09.2020)**	Director(Technical)	100

No other Director on the Board of Chennai Petroleum Corporation Limited is holding any shares of CPCL as on 31.03.2021.

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 31.03.2021 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. Mr.Sukh Ram Meena, Government Director– Member(W.E.F 28.12.2020)

Note: Mrs.Perin Devi, Government Director, ceased to be the member of Audit Committee w.e.f 24.11.2020 subsequent to the completion of her tenure on the Board of CPCL.

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 (LODR), 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 2020-2021 and the Members present are given below:

Sl. No.	MEMBERS PRESENT	ATTENDANCE AT MEETINGS HELD OUT OF TOTAL NUMBER OF MEETINGS				
		20.05.2020	24.07.2020	21.10.2020	25.01.2021	Total
1	Mr.Myneni Narayana Rao	YES	YES	YES	YES	4/4
2	Mr.D.Duraiganesan	YES	YES	YES	YES	4/4
3	Mr.Amitabh Mathur	YES	YES	YES	YES	4/4
4	Mr.Sukh Ram Meena	NA	NA	NA	LOA	0/1
5	Mrs.Perin Devi	YES	YES	YES	NA	3/3

Note: "LOA" denotes Leave of Absence and "NA" denotes Not Applicable.

The Audit Committee meetings were attended by Director (Finance), Permanent Invitee, Dy. General Manager (Internal Audit) as invitee. The representatives of the Statutory Auditors were invited to the Audit Committee meetings while considering the financial results and discussing the nature and scope of Annual Audit. The Cost Auditors were invited when the cost audit reports were 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 31.03.2021 COMPRISES OF THE FOLLOWING MEMBERS:**

- Mr.Amitabh Mathur, Independent Director– Chairman
- Mr.D.Duraiganesan, Independent Director– Member
- Mr.Sukh Ram Meena, Government Director– Member
- Mr.Manoj Sharma, Nominee Director (IOCL)– Member

Note: Mr.Manoj Sharma was inducted as a member in the place of Mr.S.M.Vaidya w.e.f 24.07.2020. Mr.Sukh Ram Meena was inducted as a member in the place of Mrs.Perin Devi w.e.f 28.12.2020.

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 the issues pertaining to the terms of reference as per sl.no 2 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 2020-2021 ARE AS UNDER:**

Sl. No.	Name of the member	ATTENDANCE AT THE MEETINGS HELD OUT OF TOTAL NUMBER OF MEETINGS		Total
		19.04.2020	25.01.2021	
1	Mr.Amitabh Mathur	YES	YES	2/2
2	Mr.D.Duraiganesan	YES	YES	2/2
3	Mr.Sukh Ram Meena	NA	LOA	0/1
4	Mr.Manoj Sharma	NA	YES	1/1
5	Mr.S.M.Vaidya	YES	NA	1/1
6	Mrs.Perin Devi	YES	NA	1/1

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 2020-2021 is given below:

Rs.in crore

Particulars of Remuneration	Rajeev Ailawadi D(F) & MD (i/c)	S. Krishnan D(O)	H.Shankar D(T) (w.e.f 01.10.2020)	S.N.Pandey, MD (upto 31.01.2021)	R.Srikanthan (DT) (upto 30.09.2020)	Total Amount
Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	0.48	0.51	0.21	0.83	0.87	2.90
Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.02	0.01	0.02	0.06	0.06	0.17
Total	**0.50**	**0.52**	**0.23**	**0.89**	**0.93**	**3.07**
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 2020-2021 ARE GIVEN BELOW:

- Mr.Amitabh Mathur–Rs.4,80,000/- (Rupees Four Lacs Eighty Thousand only)
- Mr.Myneni Narayana Rao–Rs.4,20,000/- (Rupees Four Lacs Twenty Thousand only)
- Mr.D.Duraiganesan–Rs.4,50,000/- (Rupees Four Lacs Fifty Thousand only)
- Mrs.Sobhana Surendran–Rs.3,00,000/- (Rupees Three Lacs only)

The Government Nominee Directors are not paid any remuneration, sitting fees, etc.

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 31.03.2021 IS AS UNDER:

- Mr.D.Duraiganesan, Independent Director – Chairman
- Mr.Sukh Ram Meena, Government Director – Member
- Mr.Rajeev Ailawadi, Director (Finance) & MD(I/C)– Member
- Mrs.Sobhana Surendran, Independent Director – Member
- Mr.Babak Bagherpour, Nominee Director (NICO) – Member

Note: Mr.Sukh Ram Meena was inducted as a member in the place of Mrs.Perin Devi w.e.f 28.12.2020.

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 2020-2021 AND MEMBERS PRESENT ARE GIVEN BELOW:

Sl.No.	Members Present	Attendance at the meetings held out of total number of meetings	Total
		24.07.2020	
1	Mr.D.Duraiganesan	YES	1/1
2	Mrs.Sobhana Surendran	YES	1/1
3	Mr.Rajeev Ailawadi	YES	1/1
4	Mr.Babak Bagherpour	YES	1/1
5	Mr.Sukh Ram Meena	NA	NA
6	Mrs.Perin Devi	LOA	0/1

Note: i) No meeting was held after induction of Director in Sl. No. 5.

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 2020-2021:

During the year 179 queries, requests and complaints were received and all have been resolved. As on 31.03.2021, 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 31.03.2021 is as follows:

- Mr.Myneni Narayana Rao, Independent Director – Chairman
- Mr.Sukh Ram Meena, Government Director – Member
- Mr.Rajeev Ailawadi, Director (Finance) & MD(i/c) – Member
- Mr.H.Shankar, Director (Technical) – Member
- Mr.M.B.Dakhili, Nominee Director (NICO) – Member

Note: Mr.Sukh Ram Meena was inducted as a member in the place of Mrs.Perin Devi.

w.e.f28.12.2020. Mr.H.Shankar was inducted as a member in the place of Mr.R.Srikanthan w.e.f 01.10.2020.

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 2020-2021 ALONG WITH THE MEMBERS PRESENT ARE GIVEN BELOW:**

Sl. No.	Members Present	ATTENDANCE AT THE MEETINGS HELD OUT OF TOTAL NUMBER OF MEETINGS	Total
		25.01.2021	
1	Mr.Myneni Narayanan Rao	YES	1/1
2	Mr.Rajeev Ailawadi	YES	1/1
3	Mr.H.Shankar	YES	1/1
4	Mr.M.B.Dakhili	LOA	0/1
5	Mr.Sukh Ram Meena	LOA	0/1

Note – "LOA" denotes Leave of Absence.

The CSR Policy is hosted on the website of the company on the link https://www.cpcl.co.in/company/overview/our-policies/. The CSR Report, as required under the Companies Act, 2013 for the year ended 31.03.2021 is annexed to the Board's Report.

7. RISK MANAGEMENT COMMITTEE (RMC):

a) As per Regulation 21 (1) & (5) of SEBI (LODR) 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 31.03.2021:

- Mr.Rajeev Ailawadi, Director (Finance) & Managing Director (i/c) – Chairman
- Mr.S.Krishnan, Director (Operations) – Member
- Mr.H.Shankar, Director (Technical) – Member
- Mr.Myneni Narayana Rao, Independent Director – Member
- Mr.Manoj Sharma, Nominee Director (IOCL) – Member

Mr.H.Shankar was inducted as a member in the place of Mr.R.Srikanthan w.e.f 01.10.2020.

The Action Taken Report on the Risk Management Policy for the period January, 2020 to March 2021 was reviewed by the Risk Management Committee, Audit Committee and by the Board of Directors at the meeting held on 28.04.2021.

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 (2020-21)
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.Manoj Sharma, Non- Executive Nominee Director – Chairman 2. Mr.Amitabh Mathur, Independent Director – Member 3. Mr.Sukh Ram Meena, Government Director – Member 4. Director (Finance) – Member 5. Director (Technical) or Director (Operations), depending upon the proposal considered	2 (11.11.2020 & 13.01.2021)
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)	**11**

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 https://www.cpcl.co.in/company/leadership/sub-committees/.

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 2020-21.

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
24.08.2018	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
11.09.2020	Video Conference / Other Audio Visual Means	03.00 pm	NIL

No Extraordinary General Meeting of the Members was held during the year 2020-2021.

10. POSTAL BALLOT DETAILS:

No approval of shareholders was sought by means of Postal Ballot during 2020-2021.

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 (LODR), 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) was held on 21.10.2020.

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/company/overview/our-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 throughout the year.

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.

In response to CPCL letters, BSE vide e-mail dated 24.09.2020 and 19.04.2021 informed that "The Committee for reviewing representations for Waiver of Fines levied under Standard Operating Procedure" considered the facts of the case and waived the fines for the period from September, 2018 to December 2020.

e) VIGIL MECHANISM AND WHISTLE-BLOWER POLICY:

The Company encourages ethical behaviour in all its business activities. The Company has laid down adequate procedures and internal controls like Manual on Delegation of Authority, Standard Operating Procedures (SOP's), Conduct, Discipline and Appeal Rules for employees, etc. The Vigilance Department, plays a vital role and is an important part of the vigil mechanism and lays focus on participative and preventive vigilance. The Government Auditors, Statutory Auditors and Internal Auditors are also the main constituents of the vigil mechanism to review the activities of the Company and report observations on deficiency or irregularities, if any.

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 Women 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 2020-2021	NIL
Number of Complaints disposed off during the Financial Year 2020-2021	NIL
Number of Complaints pending as on end of the financial year 2020-2021	NIL

FEES PAID TO STATUTORY AUDITORS:

The statutory auditors of the company were paid a total fee of ₹ 0.51 Crore for all the services rendered by them to the Company, as detailed below:

Rs. in Crore

Payment to Statutory Auditors	FY 2020-2021
Audit Fees	0.29
Limited Review Certification	0.12
Tax Audit Fees	0.07
Other Services	0.03
TOTAL	**0.51**

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.

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

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 https://www.cpcl.co.in/investors/financials/statutory-disclosures/.

ii) Compliance of Applicable Laws:

As per Regulation 17 (3) of SEBI (LODR), 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 01.10.2019 to 30.09.2020 at the 339th Board Meeting held on 21.10.2020. The compliance report for the period 01.10.2020 to 30.09.2021 will be placed before the Board at the meeting scheduled in October / November 2021.

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).

During the year 2019, your company modified the Risk Management Policy and Structure in line with IOCL. Accordingly, a Board Level Risk Management Committee was formed in April 2019. To assist the Board Level Risk Management Committee, a Risk Management Compliance Committee (RMCC) was formed with all CGMs as members. The RMCC has modified the Risk Management Policy with identification of High Risks, Medium Risks, Low Risks and Risks on Radar.

The Action Taken Report on the Risk Management Policy for the period January, 2020 to March 2021 was reviewed by the Risk Management Committee, Audit Committee and the Board of Directors at their meeting held on 28.04.2021.

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 (LODR) 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 SEBI (LODR) 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, 2021 do not contain any modified audit opinion.

h) CEO / CFO CERTIFICATION:

The required certification from the Director (Finance) and Managing Director (i/c) being the CFO cum CEO was obtained and placed before the 105th Audit Committee Meeting and 342nd Board meeting held on 28.04.2021.

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. 82 major contracts were covered under the Integrity Pact during 2020-2021 and the threshold limit for entering into integrity pact was reduced to ₹ 0.75 crore during the year 2019-20.

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 under the link https://www.cpcl.co.in/investors/financials/statutory-disclosure/.

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.

Due to COVID -19 outbreak in the country, no familiarization program was conducted for any Independent Director during the Financial Year 2020-2021.

However, 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.

l) DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT:

No shares of CPCL were lying in the Demat suspense account or unclaimed suspense account as on 31.03.2021.

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 throughout the year.

CPCL being a Government Company is pursuing with the Government of India for induction of requisite number of independent directors.

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 2020-2021.

The Company has not incurred any expenses which are personal in nature for the Board of Directors and Key Managerial Personnel.

The administrative and office expenses as a percentage of total expenses is 0.22 % as compared to the previous year figure of 0.27%.

In the preparation of financial statement for the year 2020-2021, 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 time 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 of the conclusion of the meeting in the newspapers viz., The Hindu – All India Edition (English), and Makkal Kural – Regional Edition (Tamil).

The Quarterly Results, Half yearly Results, Annual Results and Shareholding pattern are placed on the Company's website at https://www.cpcl.co.in/investors/financials/financial-performance/. Press releases are given on important occasions. They are also placed on Company's website.

Financial Results are published in the newspapers as mentioned above in para (a). 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) Concall with Investors

CPCL participate in conference calls to discuss the quarterly / annual financial performance of the Company and prior intimation thereof is given to the stock exchanges and also hosted on the website of the company.

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

d) Website:

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

e) 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 redress system. The salient features of this system are: centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

f) 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 (LODR).

CPCL would dispatch the full version of the Annual Report 2020-2021 only to the registered email address of the shareholders in line with the relaxation granted by SEBI in this regard.

g) Chairman's Speech at AGM:

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

h) 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.

i) 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 2020-2021 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.

CPCL would dispatch the full version of the Annual Report 2020-2021 only to the registered email address of the shareholders in line with the relaxation granted by SEBI in this region.

13. GENERAL SHAREHOLDER INFORMATION:

a)	55th Annual General Meeting:		
b)	Date & Time	:	Friday, the 20th August 2021; 3.00 p.m
c)	Venue	:	The Company would be conducting meeting through VC / OAVM pursuant to the MCA Circular dated January 13, 2021 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)	CUT-OFF Date	:	Friday, the 13th August 2021
f)	Dividend despatch date	:	The Board has not recommended any dividend (Equity and Preference) for the financial year 2020-2021.
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 2021-2022 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:

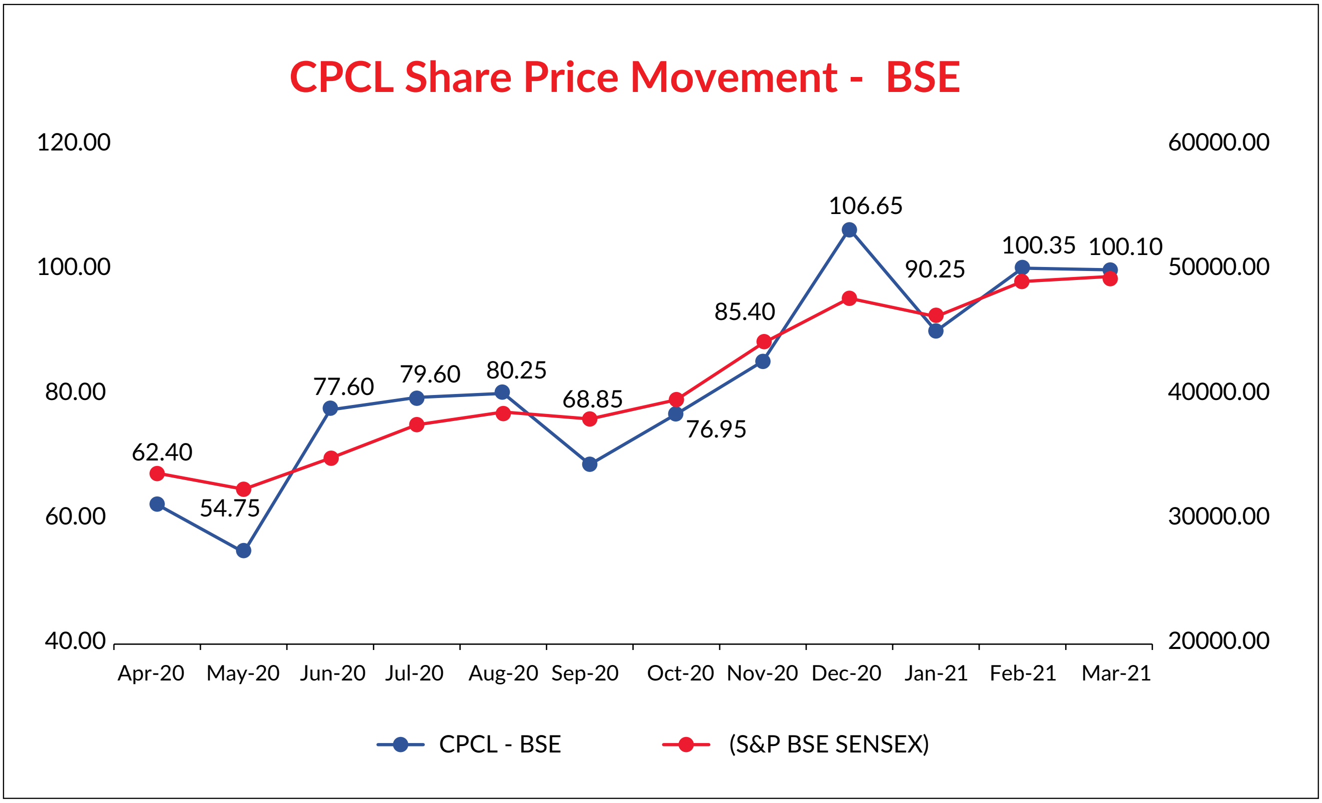
(in Rupees)

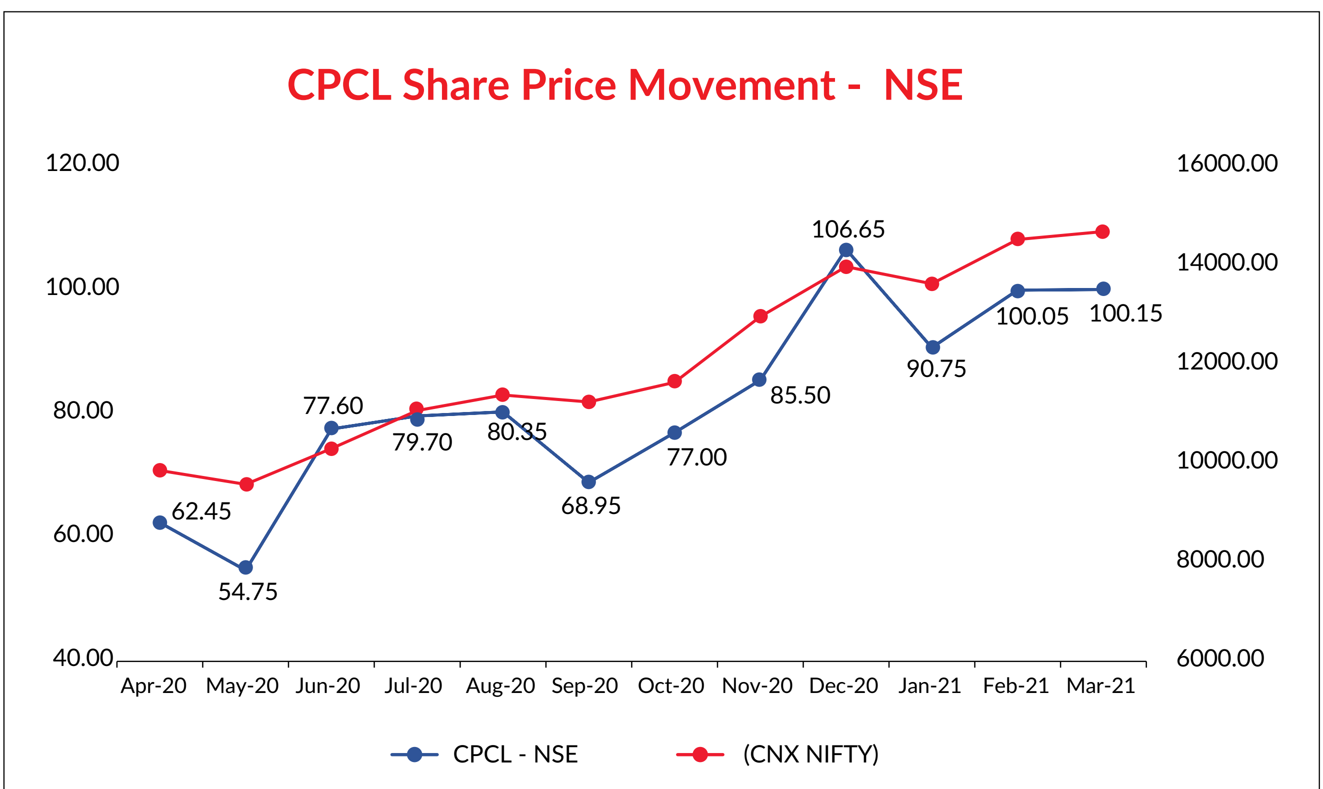
Month	NSE			Volume	BSE			**Volume**
	High	Low	Close		High	Low	Close	
Apr-20	74.00	58.50	62.45	10525472	73.90	58.00	62.40	715815
May-20	62.70	47.60	54.75	14318656	62.60	47.70	54.75	1231175
Jun-20	95.80	55.50	77.60	49044908	95.75	55.55	77.60	3831617
Jul-20	93.40	75.00	79.70	39849613	93.50	75.20	79.60	3203110
Aug-20	89.95	78.35	80.35	21571590	85.80	78.25	80.25	1911965
Sep-20	81.95	65.75	68.95	9949159	81.80	65.85	68.85	883743
Oct-20	84.35	63.80	77.00	38926885	84.05	63.75	76.95	3330209
Nov-20	90.80	73.05	85.50	17878342	90.50	73.00	85.40	1667725
Dec-20	115.50	85.00	106.65	43563402	115.40	85.00	106.65	3569299
Jan-21	132.65	89.55	90.75	34779488	132.55	89.00	90.25	2686389
Feb-21	103.80	90.00	100.05	22339115	103.65	90.10	100.35	1810779
Mar-21	123.20	94.60	100.15	28439723	122.95	94.70	100.10	2365567

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

Month	**NSE**		**BSE**	
	CPCL Close (in ₹)	Index Close (CNX NIFTY)	CPCL Close (in ₹)	Index Close (S&P BSE SENSEX)
Apr-20	62.45	9859.90	62.40	33717.62
May-20	54.75	9580.30	54.75	32424.10
Jun-20	77.60	10302.10	77.60	34915.80
Jul-20	79.70	11073.45	79.60	37606.89
Aug-20	80.35	11387.50	80.25	38628.29
Sep-20	68.95	11247.55	68.85	38067.93
Oct-20	77.00	11642.40	76.95	39614.07
Nov-20	85.50	12968.95	85.40	44149.72
Dec-20	106.65	13981.75	106.65	47751.33
Jan-21	90.75	13634.60	90.25	46285.77
Feb-21	100.05	14529.15	100.35	49099.99
Mar-21	100.15	14690.70	100.10	49509.15

During 2020-2021, the share price of the Company touched a high of ₹ 132.55 and closed at ₹ 100.10 on 31.03.2021 on the BSE thereby decreasing by 24.48%. During the same period, the BSE SENSEX touched a high of 52516.76 and closed at 49509.15 on 31.03.2021 thereby decreasing by 5.73%. The NSE NIFTY touched a high of 15431.75 and closed at 14690.70 on 31.03.2021 thereby decreasing by 4.80%.


CPCL Share Price Movement - BSE
120.00
100.00
80.00
60.00
40.00
60000.00
50000.00
40000.00
30000.00
20000.00
62.40
54.75
77.60
79.60
80.25
68.85
76.95
85.40
106.65
90.25
100.35
100.10
Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21 Mar-21
CPCL - BSE
(S&P BSE SENSEX)


CPCL Share Price Movement - NSE
120.00
100.00
80.00
60.00
40.00
16000.00
14000.00
12000.00
10000.00
8000.00
6000.00
62.45
54.75
77.60
79.70
80.35
68.95
77.00
85.50
106.65
90.75
100.05
100.15
Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21 Mar-21
CPCL - NSE
(CNX NIFTY)

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.

The debt securities viz., Unsecured Redeemable Non–Convertible Bonds in the nature of Debentures to the extent of ₹ 810 crore was allotted on 17.07.2020 at a coupon rate of 5.78% with an Annual Interest Payment frequency and having their maturity date on 17.07.2025. These Unsecured Redeemable Non–Convertible Bonds in the nature of Debentures were listed in the BSE (ISIN INE178A08011 and INE178A08029).

p) REGISTRARS AND SHARE TRANSFER AGENTS:

M/s.KFin Technologies Pvt. Ltd. (KTPL) was the Registrar & Transfer Agents (RTA) of the Company during the Financial Year 2020-2021. 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 2021.

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 01.04.2020 to 31.03.2021 are given below:

Sl. No.	Particulars	No. of Cases	Shares
1	Number of transfer deeds received	1	200
2	Transfer deeds processed	1	200
3	Defective transfer deeds sent to the proposed transferee for rectification of defects	NIL	Nil

The number of meetings held for approving the Share Transfers, transmission, dematerialisation etc. from 01.04.2020 to 31.03.2021 is 10.

The number of demat requests approved and shares dematted from 01.04.2020 to 31.03.2021 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	65	30600
2	Number of demat requests processed	55	8400
3	Number of demat requests rejected, for non-receipt of physical share certificates within 30 days as per the requirement of NSDL	10	22200

The number of demat requests approved and shares dematted from 01.04.2020 to 31.03.2021 in Central Depository Services (India) Ltd. (CDSL) are given below:

Sl. No.	Particulars	Number of DRF	Shares
1	Number of demat requests received	1	100
2	Number of demat requests processed	Nil	Nil
3	Number of demat requests rejected, for non- receipt of physical share certificates within 30 days as per the requirement of CDSL	1	100

No Remat requests were received during the year 2020-21 both in NSDL and CDSL.

r) DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2021:

CHENNAI PETROLEUM CORPORATION LIMITED					
Distribution of Shareholding as on 31/03/2021 (TOTAL)					
Sl. No	Category (Amount)	No. of Holders	% To Holders	Amount(Rs.)	% To Equity
1	1 - 5000	84307	99.15	18034644	12.11
2	5001 - 10000	387	0.46	2868943	1.93
3	10001 - 20000	179	0.21	2641344	1.77
4	20001 - 30000	64	0.08	1595936	1.07
5	30001 - 40000	25	0.03	890812	0.60
6	40001 - 50000	12	0.01	543755	0.37
7	50001 - 100000	28	0.03	2070377	1.39
8	100001 and above	25	0.03	120265589	80.76
	TOTAL	**85027**	**100.00**	**1489114000.00**	**100.00**

s) SHAREHOLDING PATTERN AS ON 31.03.2021:

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)	**690434**	**26671850**	**27362284**	**18.37**	**6410**	**76488**	**82898**
NBFC	**0**	**1350**	**1350**	**0.00**	**0**	**2**	**2**
Bodies Corporate	**13300**	**1705264**	**1718564**	**1.15**	**41**	**417**	**458**
Banks	**100**	**869**	**969**	**0.00**	**1**	**4**	**5**
Mutual Funds and UTI	**4600**	**9744728**	**9749328**	**6.55**	**5**	**12**	**17**
Qualified Institutional Buyer	**0**	**6752596**	**6752596**	**4.53**	**0**	**6**	**6**
IEPF	**0**	**507466**	**507466**	**0.34**	**0**	**1**	**1**
Non-Resident Indians/ OCBs/Foreign Portfolio-Corp/Non-Resident Indians (Non Repatriable)/Foreign Nationals / FII's	**389100**	**2231643**	**2620743**	**1.76**	**2829**	**1881**	**4710**
Total	**1097534**	**147813866**	**148911400**	**100.00**	**9286**	**78813**	**88099**

t) **TOP TEN SHAREHOLDERS AS ON 31.03.2021 (OTHER THAN PROMOTERS):**

SL #	NAME	TOTAL SHARES	% TO EQUITY
1	ICICI PRUDENTIAL MULTICAP FUND	7444090	4.99
2	LIFE INSURANCE CORPORATION OF INDIA	4843808	3.25
3	THE NEW INDIA ASSURANCE COMPANY LIMITED	1720232	1.15
4	SBI CONTRA FUND	1300000	0.87
5	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA - INDIA OPPORTUNITIES FUND - SERIES A	999952	0.67
6	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY	507776	0.34
7	RAMS INVESTMENT UNIT TRUST - INDIA EQUITIES PORTFOLIO	420000	0.28
8	PUSHKAR PRABHATCHANDRA JAIN	290700	0.19
9	HIRAL JIGESH MODI	244271	0.16
10	MORGAN STANLEY ASIA (SINGAPORE) PTE. – ODI	236259	0.15

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 31.03.2021 is as under:

Type of Shareholding	Shareholders (Folios)		Shareholding	
	No.	%	No.	%
Physical	9286	10.54	1097534	0.73
Demat	78813	89.46	147813866	99.27
TOTAL	**88099**	**100**	**148911400**	**100.00**

All shareholders holding shares in physical form are requested to demat their shares considering various advantages of dematerialisation.

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
2013-2014	No Dividend	
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	
2019-2020		

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 31.03.21 are given below:

Year	Amount (Rs.)
2013-14 & 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
2019-20	
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. 11.09.2020 in the prescribed form with the IEPF and also hosted it on company's website https://www.cpcl.co.in/investors/share-holder-information/iepf/.

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.

No dividend declared for the years 2012-13 to 2014-15 and 2018-19 to 2019-20. No dividend / shares were liable to be transferred to the IEPF Account during the Financial Year 2020-2021 since no dividend was declared for the Financial Year 2012-2013. The details of shares transferred to IEPF earlier are hosted on the website of the company https://www.cpcl.co.in/investors/share-holder-information/iepf/

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 01.04.2020	5,07,966
Add: Shares transferred to demat account of IEPF authority during 2020-2021	0
Less: Shares claimed by investors from IEPF authority	600
Shares in the demat account of IEPF Authority as on 31.03.2021	5,07,366

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/investors/share-holder-information/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.

All shareholders who have not claimed their dividend are requested to claim their dividend at the earliest to avoid transfer of unclaimed dividend / shares to IEPF.

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	A1+	
Commercial Papers	CRISIL & ICRA	A1+	
Long Term – INR ₹ _ Cr	CARE	AAA	STABLE
Long Term – FC USD Mn	CRISIL, ICRA & CARE	AAA	STABLE

y) **No funds have been raised through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) during 2020- 2021.**

z) **OUTSTANDING GDR/ADR/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 Option was given during the Financial Year 2020-2021.

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

The Company has not entered into any commodity hedging transactions during the year 2020-2021.

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 / 24346807
Email: shankarp@cpcl.co.in & sriramas@cpcl.co.in

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

DIRECTORS' REPORT 2020-21

To the family of CPCL Shareowners,

On behalf of the Board of Directors of your Company, I am pleased to present the 55th Annual Report on the working of your Company, together with the Audited Statement (Standalone and Consolidated) of Accounts, Auditors' Report and the Report of the Comptroller & Auditor General of India on the Accounts for the year ended March 31, 2021.

PERFORMANCE REVIEW

Financials (Standalone and Consolidated)

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

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Gross Turnover	41814	48624	41814	48624
Profit Before Finance Cost, Depreciation and Tax	2119	(2080)	2113	(2086)
Finance Cost	375	413	375	413
Depreciation, Amortisation and Impairment	467	523	467	523
Profit Before Tax (before Share of Profit of Joint Ventures)	1277	(3016)	1271	(3022)
Share of Profit of Joint Ventures	-	-	25	27
Profit Before tax	**1277**	**(3016)**	**1296**	**(2995)**
Tax Provision	1039	(938)	1039	(939)
Profit After tax	**238**	**(2078)**	**257**	**(2056)**
Retained Earnings	**238**	**(2078)**	**257**	**(2056)**

Analysis of Profitability

The company could achieve turnaround in Financial performance mainly due to the operating and cost efficiencies achieved during the year aided by inventory gains despite unfavourable cracks. The crude oil prices increased from around US$34/bbl to 64$/bbl in March supporting the Gross Refining Margins. The interest cost was significantly lower due to optimal treasury operations besides the prevalent lower interest rates.

Financial Highlights

- "Nil" Comments received from C&AG for the financial year 2020-21 – 18th year in succession.
- Issued ₹ 810 Cr. 5 year Bonds @ a coupon of 5.78% and listed in NSE and BSE
- Insurance claim of ₹ 36.50 crore received
- Received Authorised Economic Operator (AEO) Tier – II certificate from Customs Department enabling easier documentation, priority clearance and more flexibility for imports

- Opted for Lower Tax @ 22% u/s 115BAA of Income Tax Act,1961 from FY 2019-20 which will result in reduction of tax outflows for the future years
- Online Commercial Paper Issue portal, was implemented
- Your Company has won the Achiever's award in "Biggest Public Sector Investment" category by Business Today and Government of Tamilnadu. The award for the period of three years, commencing from 2017-18 was presented by the Hon'ble Chief Minister of Tamilnadu on 16th Feb, 2021 at Chennai.

Issue of Securities /Changes in Share Capital

During the year 2020-21, there is no change in the share capital of the Company. Your Company has allotted 8,100 Unsecured, Non – Cumulative, Convertible, Redeemable, Taxable Debentures (SERIES I - 2021) of ₹ 10,00,000/- each aggregating to sum of ₹ 810 Crores with an interest of 5.78% p.a. This was done in pursuance of strategy to take advantage of lower rates in the markets and also to balance the borrowing portfolio.

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, Department of Investment and Public Management (DIPAM), Government of India, dated 27th May, 2016 together constitute the Dividend Distribution Policy of the Company and the same is hosted on the website of the Company under the link. https://www.cpcl.co.in/Policies/2018/dividend%20distribution%20policy.pdf.

Considering the planned project investments, the Board of Directors of the Company has not recommended any dividend for the year.

The preference dividend in respect of 6.65% non-convertible cumulative redeemable preference shares (50 crore shares outstanding as on 31.03.2021) 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.

Book Value

The book value per share of your Company as on 31.03.2021 was higher at ₹ 95.67 as compared to ₹ 80.07 as on 31st March, 2020.

Reserves and Surplus

The reserves and surplus as on 31st March, 2021 increased to ₹ 1275.66 crore as compared to ₹ 1043.37 crore as on 31st March, 2020.

Value Addition

The value addition during the year 2020-21 was at ₹ 2947 crore as compared to ₹ (1211) crore in the previous year.

Digital India Initiative

Your Company has achieved near 100% digital transactions during the financial year 2020-21. The company provides QR code based payment facility for its customers and 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:

(Rs. in crore)

Particulars	2020-21	2019-20
Central Exchequer	19720	12030
State Exchequer	485	610
Total	**20205**	**12640**

Capex

CPCL has incurred Capital Expenditure for the year 2020-21 of ₹ 583.13 crore as compared to ₹ 960.60 crore in the previous year 2019-20. The Capital Expenditure has tapered down due to completion of some big projects like BS VI.

Public Deposit Scheme

Your Company has not accepted any public deposits during the year 2020-21 and no public deposit was outstanding as on 31st March, 2021.

Share Value

The highest and lowest market value of the Company's shares quoted in the stock exchanges for the period 1st April, 2020 to 31st March, 2021 are as under:

Stock Exchange	High	Low
NSE	Rs.132.65	Rs.47.60
BSE	Rs. 132.55	Rs.47.70

Credit Rating

The company's financial judgement and discipline is mirrored in the strong credit ratings assigned by the Credit Rating agencies. The details of Credit Ratings are disclosed in the Corporate Governance Report, which forms part of the Annual Report.

Transfer of Unclaimed Dividend to IEPF

No dividend amount / shares is required to be transferred to the Investor Education & Protection Fund (IEPF) as per Section-124 of the Companies Act, 2013 during the year 2020-21, as no dividend was declared in view of the losses for the FY 2012-13.

OPERATIONAL PERFORMANCE:

CRUDE OIL THRUPUT (in TMT)	2020-21	2019-20
Imported	6388	8,402
Indigenous	1855	1,759
Total Throughput	8243	10,161
PRODUCTION (in TMT)		
Light Ends	2043	2,346
Middle Distillates	4454	5,671
Lube Base Stock	152	104
Wax	19	23
Heavy Ends	985	1,185
Intermediates differential	58	(32)
Other Inputs	(260)	(172)
Fuel & Loss	908	1036
Total Output	8243	10,161
Distillate Yield	76.4	77.6

(TMT = Thousand Metric Tonnes)

The throughput was down by 19% from the previous year, as the refineries had experienced severe product demand destruction due to Covid-19 lockdown. Your Company, through its dedicated employees ensured operations of the refinery in these extremely difficult and challenging conditions. All market requirement could be maintained, including LPG, for which demand continued to be robust.

Your Company achieved a lower throughput of 8.243 MMTPA in 2020-21 as compared to 10.161 MMTPA in the previous year 2019-20 due to the above mentioned reasons.

The distillates yield achieved was 76.4% as compared to 77.6% in 2019-20. The Energy Intensity Index (EII) was 104.5 as compared to 100 in the year 2019-20.

The specific energy consumption achieved was 86.5 as compared to 81.4 in the year 2019-20. The operational availability during the year was 92.6% as compared to 97.6% in the previous year. Fuel & Loss was higher at 10.7 wt % as compared to 10.0 wt % in the previous year due to low throughput in the year 2020-21.

Although the pandemic impacted the refinery operations on certain parameters, your Company took several important measures, which resulted in significant improvements.

Your Company achieved the highest ever hexane production of 22.5 TMT as against the previous best of 19.7 TMT in 2019-20.

Your company expanded the crude basket by increasing the Total Acid Number (TAN) limit from 0.5 to 0.7 mgKOH/gm and Saxi Blend Crude (Angola) was selected for the first time in Jul'20 & successfully processed. Further two more new crude oil grades were processed – Plutonio from Angola and Basrah Medium from Iraq, which were added to the regular basket.

During the year several margin improvement schemes with significant value addition have been implemented successfully. In addition, Schemes to recover condensate from offsite areas were implemented resulting in saving to tune of 12 m3/hr, which helped in reduction of fresh water consumption and treating costs.

Your company successfully completed the FCC-GDS commissioning on 13th Jan'21 and the unit was dedicated to the nation by Honourable Prime Minister of India on 17th February 2021.

Your Company completed RLNG changeover in one Gas Turbine (GT) and one boiler. Naphtha stream segregation has been carried out and high paraffin naphtha production has commenced from October 20 onwards. Total high paraffin naphtha production for the year was 57 TMT. Simultaneous loading of all 3 grades of bitumen has commenced from February 21 onwards and highest ever bitumen dispatch of 75 TMT was achieved for Mar 21. These measures have helped in reporting better margins.

Your company also successfully produced missile fuel for DRDO in Feb 21 and is the only Refiner in India to do so.

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 2020-21, as per the guidelines issued by the Department of Public Enterprises (DPE). The rating is yet to be received from DPE for the year 2019-20.

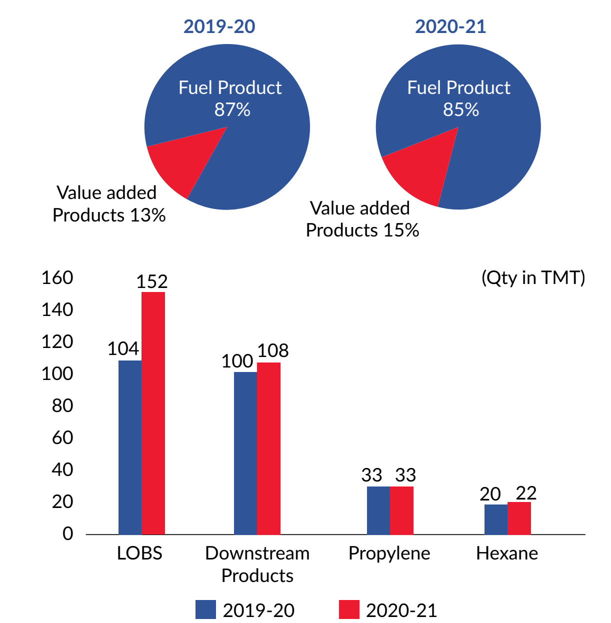
MARKETING

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

The details of sale of products through direct marketing by CPCL during 2020-21 as compared to the previous year 2019-20 are given below:

PRODUCT	SALE QTY (IN MT)	
	2020-21	**2019-20**
A: Downstream Products		
Linear Alkyl Benzene Feed Stock (LABFS)	77965	63792
Butene +Methyl Ethyl Ketone Feed Stock (MEKFS)	20391	21241
Propylene	32404	33711
Poly Butene Feed Stock (PBFS) +Lean PBFS	12385	12679
B: Other Products		
Paraffin Wax	19420	21236
Hexane	23304	19364
Sulphur	77091	98763
Petcoke	303084	409383
Furnace Oil	3570	3497
TOTAL	**569614**	**683666**

Maximising Value added Products



During the current year, LOBS production and evacuation was maximised by IOC at 168501 MT in 2020-21 as compared to 95706 MT in 2019-20.

During the year, your company achieved substantial growth in the sale of products like LABFS (22.22%) and Hexane (20.35%) through marketing initiatives. However, the direct sale of products recorded a decrease of about 17 %, from 683 TMT to 570 TMT due to Covid-19 pandemic situation. This reduction though was less than the overall throughput reduction of 19%.

RESEARCH & DEVELOPMENT (R&D)

Your Company's R&D plays a pivotal role in providing support to refinery operations.

During the year, a project on renewable crude & liquid hydrocarbon fuel from algae biomass was completed and the final project report was submitted to Centre for High Technology (CHT) by obtaining average biomass productivity of 16 g/m2/day & biocrude yield of 24.5 wt.% through Hydrothermal Liquefaction process.

Also during the year various studies were carried out like Study on production of Group-II Lube Oil Base Stock (LOBS) from Un-converted Oil (UCO) by Catalytic dewaxing & hydrofinishing processes for firming-up the proposal for project realization at plant level; Study on production of Mineral Turpentine Oil (MTO) using different Kerosene samples from Hydrocracker Unit for enabling commercial scale MTO production at plant level;

PROJECTS

Your Company pursues projects that enhance product quality and meet operational necessities.

Your Company achieved a capex of ₹ 583.13 crore, during the year.

COMPLETED PROJECTS

Fuel Quality Upgradation Project:

- New Fluidised Catalytic Cracking (FCC) Gasoline Desulphurization unit (GDS) of 0.5 MMTPA capacity:

  Unit was successfully commissioned on 13th Jan 2021 and dedicated to the nation on 17th Feb 21 by our Hon'ble Prime Minister, Shri Narendra Modi through video conferencing.

- Demountable Flare:

  Unit was mechanically completed on 10th Mar 21. Pre-commissioning activities commenced and pilot burner lighted on 26th Mar 21.

- New Sulphur Recovery Block:

95% of the equipment was received at site and erection in progress. Piping in Unit area, construction of Control room & Sub-Station is in progress. The unit is expected to be mechanically completed in 2nd quarter of 2021-22.

Re-gassified Liquefied Natural Gas (RLNG) project:

Your Company has successfully completed RLNG conversion in all 5 Gas Turbines and 4 out of 6 Utility Boilers. RLNG conversion in balance Utility Boilers and Hydrogen Generation Unit is expected to be completed by 2nd quarter of 2021-22 in phased manner. RLNG conversion will have a positive impact on the Carbon footprint with reduction in CO2 emissions and will reduce Specific Feed & Fuel consumption for production of Hydrogen. This will also enable processing of additional high sulphur crude. The estimated cost of RLNG Projects is ₹ 310 Cr. The project in addition to above benefits is likely to yield significant margin improvement.

Future Projects:

9 MMTPA CAUVERY BASIN REFINERY (CBR) PROJECT:

Your Company proposes to set up a 9 MMTPA Refinery complex at Cauvery Basin Refinery, Nagapattinam. The project will be implemented by formation of a Joint venture (JV) between CPCL and Indian Oil Corporation Limited (IOCL) together holding 50% stake (i.e. 25% each) and balance 50% to be held by strategic / financial investors, to be identified later.

The project would be an integrated state of the art modern Refinery cum Petrochemical complex, including a Polypropylene unit, to start with. The project also includes a Single Point Mooring (SPM) facility for receipt of crude oil and a Desalination plant for meeting the water requirements of the refinery.

The project would benefit from the land already in possession by your Company. The additional land required for the project is in advanced stages of acquisition through the State Governments. The coastal location of the refinery site enables crude oil receipt by the proposed installation of a SPM facility and also enables product evacuation through the port infrastructure in the vicinity. The site's proximity to highways/railways and its proposed connectivity to the IOCL's product pipeline network are added advantages for the project.

The project is expected to be completed in Q4 of 2024-25.

The project will cater to the anticipated growth in the demand for petroleum and petrochemical products in the South India region. It would also stand as an anchor for feedstock generation for the development of downstream industries and provide impetus for economic development and growth of the region.

- **Affordable Rental Housing Complex (ARHC):**

  Your Company has expressed interest to provide dignified living to urban migrants/poor near their workplace, at affordable rent under the recently launched ARHCs as a sub-scheme under Pradhan Mantri Awas Yojana–(Urban) Mission launched by Ministry of Housing and Urban Affairs.

- **CPCL Eco Park:**

  As part of green belt development initiative, your Company is developing an ECO PARK in 40 acres of CPCL land at Amullaivoyal village area. This Eco Park will be an abode for not only flora and fauna but also many adaptable species. Already 10,000 tree saplings have been planted through Tamil Nadu Forest Department (TNFD) in the area.

INFORMATION TECHNOLOGY

Your Company strongly believes that keeping pace with the advancements in information technology is one of the key drivers of corporate growth and accordingly has implemented the following new software and systemsduring the year:

- Developed and launched new CPCL new website
- Implemented automatic Invoice Generation
- Implemented Commercial Papers System
- Developed and implemented Non-Plan Capital Budget Dashboard
- Developed and implemented software for online recruitment of Apprentices
- Developed and implemented E – Management of Change system.

On the hardware front, the following initiatives were taken:

- Implemented Hyper Converged Infrastructure (HCI), a new Technology, for converging the Physical servers, storage and storage network into a single entity.

- Established a Disaster Recovery site at Corporate Office, Teynampet.
- Implemented Peplink Load balancer in corporate office for Virtual Private Network tunnel between Corporate office and Manali Refinery.

HEALTH, SAFETY AND ENVIRONMENT

RESPONDING TO CHALLENGES OF COVID 19

Your Company has demonstrated its competence to run the refinery with its dedicated manpower despite challenges of Covid and the resultant restrictions.Initiatives taken to support various stake-holders are as under:

Prevention and Awareness among Employees:

- Work from Home, meetings and trainings through digital platform
- Sanitizer in all places as per WHO standards.
- Checking temperature of all Employees / Contractors and contract workmen
- Door handles / Turnstile / ID card punching machines are cleaned at frequent intervals.
- Distribution of Masks
- Bio metric totally suspended for employees, contract workmen at all locations.
- Area disinfection
- Transport vehicles are disinfected.
- Vaccination drive for all employees, family members and contract workers at in-house facility.

Strengthening the Health care Infrastructure:

- Setting up a Public Covid Care Centre (60 bed) with oxygen supply from own plant;
- Setting up of oxygen generation plant in 4 nos. of Govt. Hospitals in progress
- Contributed ₹ 1.5 crore towards putting in place Vaccine storage facilities and Cold Chain Equipment
- Support to Government hospitals through supplying 3 plasma cluster air purifier system and mobile x-ray machines

Support to Government

- Contribution of ₹ 2 Crores towards PM CARES.
- Contribution of ₹ 0.43 Crores towards State Disaster Management Authority i.e. Chief Minister's Public Relief Fund (CMPRF).
- Installed 10 nos of LED TV at Tamil Nadu State Police to set up COVID-19 Master Control Rooms to monitor and ensure the avoidance of social gathering in public places.

Community support

- 17000 Kg rice packets of boiled rice for distribution to the North Chennai people.
- Information, Education and Communication(IEC) related to COVID 19 in the form of awareness talk of General Physician and by distribution of pamphlets and reusable fabric cloth Face Mask for the rural village community people in Ramanathapuram and Nagapattinam District of Tamil Nadu.
- 800 kits containing reusable Fabric Cloth Mask and Soap distributed in Nagapattinam

Health

Your Company always strives to provide best health care facility to its employees and towards achieving this end, it has put in place an Occupational Health Services Centre with adequate facilities, manned by qualified and trained professionals equipped to handle any eventuality.

During the year, the work environmental monitoring of employees' exposure to hazards at workplace was carried out and the levels of various chemicals like H2S, So2, CO, Ammonia, Chlorine, Total Volatile Organic Compounds (TVOC) were found to be within normal limits. In addition, Wet Bulb Globe Temperature (WBGT) Index for Heat stress was monitored in all departments and the results were within the acceptable levels.

Occupational Health and First Aid training programme was conducted on four occasions and about 80 employees had participated and benefited from the program.

Safety

Your Company always accords utmost priority to achieve the highest standards in safety performance by fixing stringent safety standards.

During the year, no man hours was lost due to accidents as a percentage of total man- hours worked for employees. Total Accident free days and fire free days achieved as on 31.03.2021 are 551 and 423 respectively.

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

- Emergency Response and Disaster Management Plan (ERDMP) Manual of CPCL LPG Bottling plant certified with validity up to March 2026 in line with PNGRB Regulations.
- Onsite Emergency Mock Drills were conducted at Manali Refinery as per Emergency Response and Disaster Management Plan.
- Monthly Mock drills are conducted with different scenarios to check preparedness of our systems and healthiness of equipments.
- Contractor NMI reporting system / Online portal developed in intranet. About 650 NMIs were generated and 90% of them have been liquidated.
- On-site Emergency hand-book released.

Safety Audits conducted during the year were as under:

- Pre Commissioning Safety Audit by OISD for FCC GDS project in Sep-20 & for Demountable flare in Mar-21.
- Surprise Safety Audit for CPCL Refinery by OISD in March-21.
- In house Process Safety Management Audit in Dec-20.
- Internal safety audits of Refinery, LPG Bottling Plant and Desalination plant by a multi-disciplinary team.
- Daily Safety Surveillance Audits by a three member team of DGM / CM / Electrical Engineer were organized.
- Hygiene audit of Refinery canteen. Recommendations are being implemented.
- Excavation safety audit ; Lock Out Tag Out audit at all the Substations inside the refinery premises.

The recommendations of both internal and external safety audits were implemented in time bound manner with regular monitoring during the monthly Central Safety Committee (CSC) meeting.

Environment

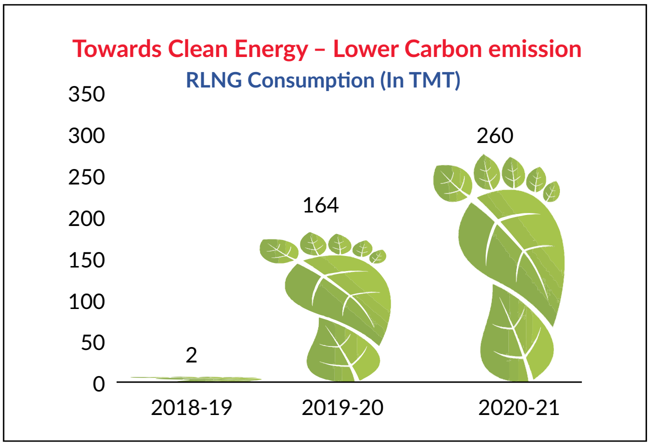
Your Company is committed to carry out its refinery operations without affecting the ecological balance and is always focused at ensuring compliance with the applicable environmental laws and regulations in letter and spirit.

Key initiatives taken for environment protection are as follows:

- Real time data transfer of 49 no of stack analysers / 6 no of ambient air quality stations / 8 no of effluent analysers is continuous.

  Consent To Establish (CTE) for BS-VI Project obtained in May-20.
- Manual stack / Ambient Air Quality monitoring carried out with the assistance of IIT-Madras in Jan - Feb-21 and all the parameters are within the limit prescribed by Ministry of Environment, Forest and Climate Change.
- 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.
- Continuous use of Tertiary Treated Reverse Osmosis (TT- RO) water supplied by Chennai Metropolitan Water Supply and Sewerage Board, to reduce fresh water consumption to the tune of 0.8 - 1.0 MGD.
- Awareness program in Amullavoyal village site was conducted on "World Environment Day" with the theme of "Celebrate Biodiversity" in June 2020.

ENERGY CONSERVATION



Your Company is keen on conserving the energy and reducing the fuel and loss consumption.

During the year, your Company has achieved an MBN and Energy Intensity Index (EII) of 86.5 and 104.5 respectively as against 81.4 and 100.0 in 2019-20. Twenty two numbers of energy conservation measures were implemented successfully during the year 2020-21. This has resulted in energy savings of 41009 Standard Refinery Fuel Tonne (SRFT) per annum which is approximately 0.50% reduction in F&L. The details of energy conservation measures are given in **Annexure I.**

As part of the Energy Conservation Month celebrations, Saksham Cycle day was organized in Chennai city on 31.01.2021.

RELIABILITY IMPROVEMENT INITIATIVES

Your Company has undertaken the following major works/ schemes during the year to ensure reliability of its refinery operations :

- Online sulphur analysers have been installed in Chennai –Trichy-Madurai Pipe line (CTMPL) & Chennai-Bangalore Pipeline Pipeline Transfer lines for MS and HSD to monitor sulphur content in the final product. BS-VI sulphur analysers (2 Nos) in HSD Stream were commissioned on 12.10.2020 and BS-VI sulphur analysers (2 Nos) in MS Stream were commissioned on 02.11.2020.
- Commissioned Dual stream Sulphur analyzers in BS-VI HSD blending header in Oil Movement and Storage (OM&S).
- Lube Plant Equipment reliability improved which resulted in achieving the Production target. 2 Nos of De-Waxing Filters were replaced.
- HGUs Plants reliability improved which resulted in availability of Secondary Processing Units.
- Reliability of all 100 COGEN boilers improved and all the boilers are tested for maximum load conditions at design efficiency.

Other jobs carried out during the year as part of reliability improvement include the following:

- Catalyst in the reactor of kerosene hydro-treating of Refinery I complex was replaced. Earlier replacement of catalyst in this reactor was done in 2011. This has enabled to increase the plant capacity to 110% of design capacity. This plant produces Aviation Turbine Fuel(ATF).
- Online replacement of Refinery-3 HGU (Plant-205) Pressure Swing Adsorbent (PSA-I) Adsorbent vessels top distributors for all 12 Beds thereby avoiding frequent failure of PSA Sequence Valves which improved the reliability of HGU PSA beds.
- Replacement of Delayed Coker Unit (DCU) 6" coke cutting hose weighing 1.87T at an elevation of 96m along with Ring Type Joint flanges, which is first of its kind among refineries operating DCU.
- Replacement of Diesel Hydrotreating (DHDT) - Reactor Effluent Air Cooler (Fin Fan Cooler) – 211-E-04H with new bundle.

Aatma Nirbhar Bharat Initiatives undertaken during the year are as under:

- In Sulphur units, indigenisation of Molten Sulphur pit pumps are used which are imported due to their highly sophisticated design complexity involving steam jacketing and higher metallurgy requirements was taken up with one of the local leading pump manufacturers. A proto type model of this pump was manufactured at vendor works in Coimbatore and installed at one of the CPCL Sulphur unit on trial basis.
- Refinery-3 Residual Fuel Oil (RFO) turbine - Turbine inlet valve stem manufactured locally and installed and governor replaced.
- Anti-surge control system of combustion air blower in Diesel Hydrodesulfurisation (DHDS) Sulphur recovery unit was replaced in July 2020. The original anti-surge control system was installed in 1999 along with the equipment and the same became obsolescent. Replacement was done through alternate vendor with in-house engineering and the same was successfully commissioned on 28.07.2020. This has ensured availability of spare Air Blower which will improve the availability of sulphur plant for operation.

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.

Manpower Details:

Your Company has been working on rationalization of manpower through various initiatives. The total manpower of your Company as on 31st March, 2021 was 1593, comprising 789 Supervisors and 804 Non-supervisors (1687 as on 31st March, 2020, comprising 852 Supervisors and 835 Non-supervisors).

New Initiatives:

The following initiatives were taken up by your Company during the year 2020-21:

- Content Leadership Competency Development Program and Operational Leadership Competency Development Program conducted by IIM, Kozhikode
- Strategic Leadership Competency Development Program conducted by IIM, Ahmedabad
- The Town Official Language Implementation Committee (TOLIC-PSU) Chennai organized Joint Rajbasha celebration. CPCL employees participated in various competitions held online for employees of Member offices of TOLIC (PSU) Chennai as a part of the celebration.
- The Memorandum of Settlement under section 18 (1) and 2 (p) of the Industrial Disputes Act, 1947 was signed between the Management and the Chennai Petroleum Employees Union (CPEU) in a very congenial atmosphere.
- First batch of Apprentices in Optional Trades such as Accountant, HR, Finance, Marketing and Computer Science have successfully completed the Training. Joint Certification by Sector Skill Council and CPCL was issued by National Skill Development Corporation.
- Manpower Rationalization exercise was carried out. Sanctioned strength of Officers and Workmen has been reduced.
- E-Learning Modules: M/s. White House Business Solution, Chennai developed eight (08) Modules (Refinery economics, Vigilance 1 and 2, Distillation, Elect. Eng. Concepts, Isomerization and SHEQ 1 & 2) were rolled out to employees as of now.
- Face Recognition Attendance Recording System for Contract Workers: Face Recognition Attendance Recording system for Contract Labour at CPCL Labour Entry Gate.

Training:

During the year 2019-20, your Company has achieved 2.64 average Training Man-days against the target of 2.5 man-days. 202 Webinars have been conducted and 1086 employees have attended.

- Simulator Training for Distributed Control System (DCS) Panel Supervisory employees was conducted (12 batches) to provide high level training for Panel Officers of various process units. Simulator Training gives the real time simulation trouble shooting of various process units, so that a panel officer can get training practically with trouble shooting methodologies and emergency handling.
- Relationship Leadership Competency Development Program conducted by XLRI for 114 Supervisory employees.
- Training on Preventive Vigilance was conducted for newly inducted Engineers as per guidelines of Central Vigilance Commission (CVC). 80 Supervisory employees have attended the training.
- Mid-Career training including preventive vigilance training was conducted for Officers. 20 Officers have attended the training.

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 346 SC employees (previous year: 371) and 49 ST employees (previous year: 48) as on 31st March, 2021, constituting 22.70% and 3.1% of the total manpower respectively.

The statistics relating to representation of SCs/STs/OBCs in the prescribed proforma as on 1st Jan. 2021 is given in Annexure II.

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 sensitise all employees about the provisions of the Act.

A meeting was conducted on 25.02.2021 and all the Committee Members of the Internal Committee had attended the meeting. There were no complaints of sexual harassment during the year.

An awareness program on sensitization for women employees of CPCL under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 was organized on 08.03.2021 as part of International Women's Day Celebration.

Women Empowerment:

Your Company accords special attention to the various facets of women development plans and programmes. As on 31st March, 2021, 86 women employees are on the rolls of the Company, of whom 57 are in the supervisory cadre and 29 are in non-supervisory cadre, constituting 7.3% of the total supervisory employees and 3.6% of the total non-supervisory employees.

Your Company conducts meeting with the representatives of Women Cell twice in a year to encourage the well-being of women employees. First meeting was held on 26.3.2021.

International Women's Day was celebrated on 08.03.2021 at GRT Grand, Chennai. Dr. L Vinitha Padmini Mary, Professor of Obstetrics and Gynaecology, Stanley Medical College shared her experiences during the COVID pandemic.

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/company/overview/our-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.

As the average of Net Profits for the preceding three years was negative, there was no mandate to spend amount towards CSR for the year 2020-21. Despite this, to sustain the ongoing CSR projects, CPCL had spent a gross sum of ₹ 196.51 lakhs. Of this, about ₹ 13.13 lakhs was spent on health care CSR activities in Muttam near the Cauvery Basin Refinery.

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

Corporate Environment Responsibility (CER) :

During the year, the following activities were carried out under CER:

- Running of 2 Community Health Care Centre's at Manali and Thirunalai in Chennai providing free primary health care for poor people.
- Contribution towards CPCL Education Trust for the benefit of the poor and needy surrounding to the Refinery with an objective to improve the livelihood.

VIGILANCE

Vigilance Department of your Company takes constant efforts to promote transparency, accountability, integrity and honesty amongst employees.

During the year, various system improvement measures have been suggested, for eg. "Development of system for authentication of materials to enable return of unused materials". Inline 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.

To increase Vigilance awareness, several training programs for newly joined Engineers as well as for officials who have completed 15 years of service were organised.

Your company had implemented the Integrity Pact (IP) as per the guidelines of the Central Vigilance Commission. During the year 2019-20, the threshold limit of tenders has been reduced from ₹ 1 Cr. to ₹ 75 Lakhs, so as to enhance coverage of contracts covered under IP. Periodical meetings (Quarterly basis) are being held by Management with Independent External Monitors (IEMs).

Vigilance Awareness Week(VAW)-2020 was observed from 27th October, 2020 to 2nd November, 2020 with the theme "Vigilant India - Prosperous India". In view of COVID pandemic all VAW activities were conducted through Webinars.

There were no pending disciplinary/prosecution cases as on 31st March, 2021.

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/connect/citizen-charter/public-grievance. During the year 2020-21, 5 public grievances were received and disposed off 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-IV).

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-V).

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-VI.

AUDIT COMMITTEE

The composition of the Committee as on 31st March, 2021 is as under:

- Mr.Myneni Narayana Rao- Independent Director-Chairman
- Mr.Amitabh Mathur–Independent Director- Member
- Mr.D.Duraiganesan- Independent Director- Member
- Mr.Sukh Ram Meena – 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 https://www.cpcl.co.in/company/overview/our-policies/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 28.04.2021.

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 31.03.2021 are as under:

- Mr.Rajeev Ailawadi, Director (Finance) and Managing Director(i/c) – Chairman of the Committee
- Mr.S.Krishnan, Director (Operations) - Member
- Mr.H.Shankar, Director (Technical) - Member
- Mr.Myneni Narayana Rao, Independent Director - Member
- Mr.Manoj Sharma, Executive Director (Operations), IOCL - Member

The Action Taken Report on the Risk Management Policy for the period January 2020 to March 2021, containing the mitigation measures on various High, Medium and Low risks were reviewed by the Risk Management Committee, Audit Committee and the Board at the meeting held on 28.04.2021.

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 Deputy General 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 28.04.2021, 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, 2021 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 2020-21 by the Comptroller and Auditor General of India. The Board of Directors of the Company fixed a remuneration of ₹ 0.23 crore towards statutory audit fees (Rs. 0.115 crore 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 28.04.2021 on the annual accounts for the financial year 2020-21.

COST AUDITORS

M/s. Vivekanandan Unni & Associates, Cost Accountants, Chennai were appointed as the Cost Auditor of the Company for the Financial Year 2020-21 at the existing remuneration of ₹ 2,75,000/- 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 2019-20 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 2020-21 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 2020-21. This is the second year of appointment.

The Secretarial Audit Report for the year 2020-21 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 for the whole Financial year 2020-21. The appointment of additional Independent Directors is under the consideration of the Government of India;

The report, duly certified by a Practicing Company Secretary, is attached as Annexure-VII 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.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

One separate meeting of Independent Directors (4th) was held on 21st October, 2020.

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 2020-21 as against the target fixed by the Government of India are given below:

S.No.	Value of procurements (Materials and Services)	FY 2020-21 ₹ Crores	% age target achieved excluding Crude	Against the target set by the Government
1	Procurement of Materials & Services other than crude, gas, power and license fee	439.23		
2	From MSEs (General, Reserved SC/ST & Women)	182.54	41.56%	25%
3	From Reserved SC/ST MSEs	9.55	2.17%	4%
4	From Women owned MSEs	16.05	3.65%	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.

Your Company has earmarked 25% of total procurements from Micro & Small Enterprises during FY:2021-22 in accordance to the Public Procurements Policy (PPP) for Micro & Small Enterprises (MSEs) Order 2012 Government of India. Out of this 25% target, 4% is from Reserved SC/ST MSEs and 3% from Women owned MSEs.

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 ₹ 23.67 crore. CPCL and Chevron hold 50% each in the share capital of IAL.

The Revenue from Operations of IAL is ₹ 699.42 crore during the year 2020-21, as against ₹ 793.37 crore in the previous year. The Profit after Tax for the year 2020-21 was ₹ 51.28 crore as against ₹ 54.45 crore in the previous year. The Board of IAL has recommended a dividend of 50% for the financial year 2020-21.

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/company/overview/our-policies/. Your Company has undertaken transactions with related parties during the year, which are in the ordinary course of business and on arms 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 -VIII** 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

The provisions of Section 134(3)(e) of the Act are not applicable to a Government Company. Consequently, details on Company's policy on Directors' appointment and other matters are not provided under Section 178 (3) of the Act.

Similarly, Section 197 of the Act shall not apply to a Government Company. Consequently, there is no requirement of disclosure of the ratio of the remuneration of each Director to the median employee's remuneration and other such details, including the statement showing the names and other particulars of every employee of the Company, who if employed throughout / part of the financial year, was in receipt of remuneration in excess of the limits set out in the Rules are not provided in terms of Section 197 (12) of the Act read with Rule 5 (1) / (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

1) The tenure of Mr.Sanjiv Singh, Non-Executive Chairman was completed on 30.06.2020 on his attaining the age of superannuation from the services of IOCL.

2) Mr.R.Srikanthan, Director(Technical) retired from the services of the company on attaining the age of super-annuation on 30.09.2020. Mr.H.Shankar, Chief General Manager, Indian Oil Corporation Ltd, has been appointed as Director (Technical) effective 01.10.2020.

3) Mr.Sukh Ram Meena, Deputy Director General, Ministry of Petroleum and Natural Gas, Government of India has been appointed as Government Director on the Board of CPCL effective 28.12.2020 in place of Mrs.Perin Devi whose tenure was completed on 23.11.2020.

4) Mr.S.N.Pandey, Managing Director retired from the services of the company on attaining the age of super-annuation on 31.01.2021. Mr.Rajeev Ailawadi, Director (Finance) has been holding additional charge of the Post of Managing Director effective 01.02.2021, based on the communication dated 27.01.2021 and 24.03.2021 from Ministry of Petroleum and Natural Gas, Government of India.

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

Your Company 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.

DETAILS OF LOANS / INVESTMENTS / GUARANTEES

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

ANNUAL RETURN

As required under the provisions of the Companies Act, 2013, the Annual Return for the financial year ended 31st March, 2021 in the prescribed form MGT-9 has been prepared and hosted in the website https://www.cpcl.co.in/investors/financials/statutory-disclosures.

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) of 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, 2021, 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, 2021, 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 under the link https://www.cpcl.co.in/connect/citizen-charter/right-toinformation/

A total of 80 requests, 4 first appeals and 2 second appeals received were responded during the year.

OFFICIAL LANGUAGE POLICY

Your Company, being a PSU, complies with the directives issued by the Official Language Department, Ministry of Home Affairs, Government of India from time to time.

The Official Language Implementation Committee meeting of your Company was conducted online every quarter under the chairmanship of the Managing Director to review the implementation of Official Language Policy in the company.

Hindi workshops on the Official Language Policy of the Government of India and its implementation in the Company and Hindi Grammar were conducted for the benefit of your Company's employees.

Your Company celebrated Hindi Day on 14.09.2020. As a part of the Celebration, Hindi Essay competition was held on line for employees of Region A&B and Region C. Hindi calligraphy competition was conducted for employees of 'C' Region. Managing Director gave away the prizes to the winners of Hindi competitions.

Employees of your Company participated in various competitions held online from 03.11.2020 as a part of Joint Rajbasha celebration and won prizes.

Your Company has been awarded the shield as special prize for E-Hindi CPCL News for the year 2019-20 by Town Official Language Implementation Committee (PSU), Chennai.

ACKNOWLEDGEMENT

Your Board of Directors sincerely appreciate the unflinching support and co-operation of all the employees for the smooth operation of the plant during the Covid -19 Pandemic period to cater to the demand of petroleum products 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 the then Chairman Mr. Sanjiv Singh, Managing Director Mr.S.N.Pandey and other Directors viz., Mr R.Srikanthan and Mrs. Perin Devi during their tenure on the Board.

For and on behalf of the Board

(S.M.VAIDYA)
Chairman
DIN – 06995642

Place: New Delhi
Date: 25.06.2021

Annexure - I

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 in 2020-21

- Amine interconnection from MDEA Gas Treating Unit to Resid Block- Amine Recovery unit
- Euro –IV Sour Water Stripping Unit – Sour gas processing in Ref-III Sulfur Recovery Unit
- Tracing steam to DCU feed line cut off
- Optimization of steam in Vacuum ejectors (CDU-II)
- Condensate recovery from OM&S and Ref-3 VAM unit
- Straight run kerosene to DHDT along with Gas-Oil via pre-heat train
- Rich Amine Flash Drum Gas to Incinerator
- DCU HCGO/LCGO Stripper Steam optimization and DHDT Stripping steam reduction
- Kerosene Hydrodelsulpurisation Unit- Stripper off gas flaring avoided
- Vapour Recovery Unit- Splitter bypassed.

ii. Steps taken for utilizing Alternate Sources of Energy:

To harness the renewable sources of energy and to contribute to the global movement in reducing greenhouse gas emissions, CPCL has installed Wind mill with a capacity of 17.6 MW and was commissioned in the year 2007. The renewable energy portfolio of the Company also includes grid connected power and off-grid solar power. CPCL has solar panels installed at different locations, Corporate office, Refinery and CBR. Total installed capacity of Solar panels is 270 kW.

In addition to the above, it is proposed to install Solar Roof Top Panels in Admin Buildings, Control rooms and Substations in CPCL Manali Refinery with a total installed capacity of around 1.5 MW during the year 2021-22. The green power generated from the Solar PV panels will be connected to the CPCL power system and consumed internally.

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

- Preheat improvement in DCU stripper feed
- TPL SK processing in merox units instead of hydro treating for energy saving
- Destaging of HRSG (4&5) BFW pumps
- Amine integration and optimization
- Replacement of Naphtha with RLNG in HGU(Pt-205)
- Increasing the inlet temperature of Rich amine feed to Amine regeneration unit of Resid ARU

B. TECHNOLOGY ABSORPTION

i) Efforts made in Technology absorption / Benefits thereof are as under:

1. 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 & feed stocks for various process units help in improving the yields and optimum utilization of facilities.

(i) Pilot plant study on the production of Group-II LOBS

Catalytic dewaxing and hydrofinishing studies were carried out to produce Group-II LOBS. The study results were utilized to firming-up the proposal for project realization at plant level.

(ii) Study on Production of Special Solvents

Different Kerosene samples from Hydrocracker Unit were studied for meeting the two grades of Mineral Turpentine Oil (MTO) specifications. Pipeline Compatible Kerosene (PCK) sample was directly meeting the MTO grade with the boiling range specification of IBP 125°C / FBP 240°C. The PCK sample was meeting the MTO grade with the boiling range specification of IBP 145°C / FBP 205°C, after fractionated to the required cut range in TBP Apparatus. Based on this study, commercial scale MTO production had been initiated at plant level.

2. Project on "Renewable crude and liquid hydrocarbon fuel from Algae"

Algae productivity study had been completed in Aug. 2020 for obtaining one year data starting from Sep. 2019. The average algae biomass productivity of 16 g/m^2/day was accomplished. Project was completed and project report submitted to Centre of High Technology (CHT).

3. HTL study on the conversion of algae biomass to bio-crude

Hydrothermal Liquefaction (HTL) process was optimized to produce bio-crude from algae bio-mass. The study was completed in Aug. 2020 for obtaining one year data starting from Sep. 2019 and bio-crude yield obtained was 24.5 wt.%.

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

ii) **Expenditure on R&D** (₹ in Crore)

Particulars	2020-21	2019-20
Capital	0.62	0.32
Recurring	5.64	4.49
Total	**6.26**	**4.81**
Total R&D expenditure as % of Gross Turnover	0.01	0.01

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings And Outgo (₹ in Crore)

Particulars	**2020-21**	**2019-20**
Outgo	145.03	315.52
Earned	-	-

Annexure - II

SC/ST/OBC REPORT - I

ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCs/STs AND OBCs AS ON 01.01.2021 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 01.01.2021				No. of Appointments made during the calendar year 2020 (Jan - Dec 2020)									
					By Direct Recruitment				By Promotion			By Deputation / 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	553	133	25	83	1	Nil	Nil	Nil	122	33	5	1	Nil	Nil
Group B Supervisory Level	241	46	12	97	1	1	Nil	Nil	Nil	Nil	Nil	4	Nil	Nil
Group C Workmen/ Clerical Level	809	179	12	350	1	Nil	Nil	1	Nil	Nil	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	**1603**	**358**	**49**	**530**	**3**	**1**	**Nil**	**1**	**122**	**33**	**5**	**5**	**Nil**	**Nil**

SC/ST/OBC REPORT - II

ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCs/STs AND OBCs AS ON 01.01.2021 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 **01.01.2021**				No. of Appointments made during the calendar year 2020 (Jan - Dec 2020)									
					By Direct Recruitment				By Promotion			By Deputation / 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*
₹ 70000 - 200000	167	34	3	24	Nil	Nil	Nil	Nil	20	6	Nil	Nil	Nil	Nil
₹ 80000 - 220000	183	43	10	23	Nil	Nil	Nil	Nil	39	10	3	1	Nil	Nil
₹ 90000 - 240000	71	17	5	16	1	Nil	Nil	Nil	31	10	1	Nil	Nil	Nil
₹ 100000 - 260000	67	21	6	15	Nil	Nil	Nil	Nil	12	4	0	Nil	Nil	Nil
₹ 120000 - 280000	38	10	1	5	Nil	Nil	Nil	Nil	8	1	1	Nil	Nil	Nil
₹ 120000 - 280000	19	5	-	-	Nil	Nil	Nil	Nil	8	0	0	Nil	Nil	Nil
₹ 120000 - 280000	8	3	-	-	Nil	Nil	Nil	Nil	4	2	0	Nil	Nil	Nil
Total	**553**	**133**	**25**	**83**	**1**	**0**	**0**	**0**	**122**	**33**	**5**	**1**	**0**	**0**

Annexure - III

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 31.03.2021

The Composition of Committee on CSR & SD as on 31.03.2021 is as follows:

1. Mr. Myneni Narayana Rao, Independent Director - Chairman
2. Mr. Sukh Ram Meena, Government Director – Member
3. Mr Mohammad Bagher Dakhili, Director - Member
4. Mr. Rajeev Ailawadi, Director(Finance) & MD(I/C)- Member
5. Mr. H.Shankar, 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 Crore**
Average Net profits for the last three financial years	(624.52)
Prescribed CSR Expenditure	NIL

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

NIL

5.0 DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR 2020-21

Despite the mandated CSR budget being Nil, a gross amount of ₹ 196.51 lakhs was spent for ongoing sustainable CSR projects during the FY 2020-21. The Manner in which the amount was spent during the financial year is attached.

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. Myneni Narayana Rao, Chairman, CSR & SD Committee, and Mr. Rajeev Ailawadi, D(F) & MD(I/C) confirm that the implementation and monitoring of CSR policy, is in compliance with the CSR objectives and policy of the Company.

Place: Chennai
Date: 25.06.2021

Chairman (CSR & SD Committee)
Managing Director & CEO

CSR & SD - Expenditure Details 2020-21

Sl. No.	CSR Project (or) Activity 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	Health center at Muttam	Health care	Local area/ Chennai/ Tamil Nadu	14.00	13.13	13.13	Implementing Agency
2	Mobile Medical Unit at Ramanathapuram	Health care	Local area/ Ramanathapuram/Tamil Nadu	24.00	23.78	23.78	Implementing Agency
3	Mobile Medical Unit at Nagapattinam	Health care	Local area/ Nagapattinam /Tamil Nadu	25.00	24.72	24.72	Implementing Agency
4	Swachh Bharat Campaign & Awareness programme	Swachh Bharat	Local area/ Chennai/ Tamil Nadu	5.00	5.22	5.22	Direct/ Implementing Agency
5	Skill Development- Contributuion towards stipend paid to Apprentice trainees	Skill Development	Local area/ Chennai/ Tamil Nadu	90.00	126.68	126.68	Direct
6	Armed Force Flag Day	Livelihood Projects	Others/ PAN India	1.00	1.00	1.00	Direct
7	CSR Projects impact assessment study	Others	Local area& Others Chennai-Ramanathapuram-Nagapattinam-Virudhunagar/ Tamil Nadu	2.20	1.98	1.98	Implementing Agency
	TOTAL			**161.20**	**196.51**	**196.51**	

Annexure - IV

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.

We have examined the compliance of conditions of Corporate Governance by Chennai Petroleum Corporation Limited (the Company) for the year ended on 31st March 2021, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and 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

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

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.

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").,

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations 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 that the Company has not complied with the conditions with regard to minimum number of Independent Directors in the composition of the Board of Directors for the whole Financial year 2020-21**

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

For **PADMANABHAN RAMANI & RAMANUJAM**
Chartered Accountants
Firm Registration Number: 002510S

P. Ranga Ramanujam
Partner
Membership no:022201
UDIN: 21022201AAAADW4088

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

K Sreedhar
Partner
Membership no: 024314
UDIN: 21024314AAAAAN2944

Place: Chennai
Date: 28.04.2021

Annexure - V
MANAGEMENT DISCUSSION AND ANALYSIS

(Forming part of the Directors Report for the year ended 31.3.2021)

Economic Overview:

The unprecedented global outbreak of COVID Pandemic in 2020, resulted in contraction of global economy by -3.3%. This could have been much worse but for the policy and monetary support by many countries and development of the vaccine in the shortest possible time. The global economy is projected to grow by 6% in 2021 and by 4.4% in 2022 as per the estimates by International Monetary Fund Report April 2021. However, the uncertainty about the global GDP growth continues to persist due to the expected third wave of the pandemic and the anticipated lower demand of commodities when compared to the previous fiscal. Also, the policy initiatives by each to strengthen their health care systems and boosting of production capacities are likely to play an important role in extent of economic recovery by each country. The steep reduction in savings of people in general is also expected to impact the economic growth of both developed and developing countries. (*Ref: International Monetary Fund Report).*

In line with the global situation, India has implemented strict pandemic containment measures across the country, limiting the damage to lives of people and focussed on saving lives. Due to the lifesaving lockdowns, the economic activities were disproportionately affected across various sectors other than agriculture. As a result, the growth in the Indian GDP during 2020-21 was estimated at -7.3 percent as compared to 4.0 percent in 2019-20. However, the economic situation improved in the second half of the year 2020-21 and the Indian economy registered a positive growth rate of 1.6% in Q4 of 2020-21. In line with the global best practices, Indian Government has taken many economic measures providing support to people to sustain through the difficult period. During the year 2020-21, the Agriculture and Electricity sectors recorded positive growth rate while sectors such as Manufacturing, Mining and Construction registered negative growth. With the vaccination efforts and other economic initiatives in progress, Indian economy is estimated to grow 8 to 10% in the year 2021-22, as per different reports.

Due to pandemic condition, the inflation was higher at 6.16% during 2020-21 as compared to 4.77% in the previous year. However, by March 2021, the inflation has come down to 5.52% as the economic condition improved and it is expected to further get reduced to 5.1% by Mar 2022. In terms of long term economic growth, India is expected to perform strongly as the quality of life is likely to improve with many initiatives taken by the Government of India in the last 5 years.

Energy Scenario:

During the year 2020-21, the global energy demand registered a negative growth of 4% due to continued impact of Covid pandemic which impacted the movement of people and economic activities as a result of lockdowns in all countries. However, the demand for energy is expected to increase by 4.6% in 2021-22, with rollout of vaccines and lifting of lockdowns in many advanced countries but with lot of uncertainties regarding the extent of recovery by global economy, especially in the transport and manufacturing sectors. *[Ref: Global Energy Review 2021, by International Energy Association (IEA)].*

Among the energy mix, global Crude Oil consumption got reduced by the lowest ever 9 % during the pandemic mainly due to restrictions on road transport activities causing global demand for transport fuels to fall by 14% from 2019 levels. In absolute terms the demand for crude oil was reduced by an estimated 8.5 mb/d. (*Ref: The Global Energy Review 2021*).

The transport fuels constitute 50-60 % of petroleum products consumption. While Gasoline demand declined by over 12%, Diesel demand declined only by 6% due to continuous freight transport activity. Demand for Jet fuel and kerosene dropped by 41% as the air passenger traffic was lower. On the positive side, demand for LPG and naphtha products was mostly unchanged as petrochemical feedstocks were benefited from increased sales of packaging, hygiene and medical equipment. (*Ref: The Global Energy Review 2021*).

As per IEA report, in 2021, oil demand is expected to rebound by 6%, faster than all other fuels. It is expected that with the second wave of the pandemic, restrictions on mobility will suppress oil demand for transport in the first half of the year, but the demand is likely to improve progressively in the second half of 2021-22, as vaccination efforts will become successful and restrictions on road transport will be removed. Demand for transport fuels will improve significantly during 2021-22 whereas the demand for jet fuels will continue to be weak till the end of Mar 2022. Demand for Petrochemical feedstock is also expected to increase and even surpass pre-crisis levels with plastics production driven by increased needs for packaging and personal protective equipment.

As compared to crude oil, Natural gas consumption was reduced by only 1.9% in 2020 mainly due to competitive prices which has increased the gas consumption for electricity generation in USA, China, India and Korea. Global Demand for Natural Gas is expected to increase by 3.2% over the previous year, mainly due to envisaged higher consumption in Asia, especially China and India. (*Ref: The Global Energy Review 2021*)

While global demand for oil and gas was reduced, demand for Renewable energy increased by 3% in 2020 on account of 7% growth in electricity generation from renewable sources. Renewable energy is becoming one of the main contributors to global electricity generation with a share of 29%. It is projected that Renewable electricity generation will increase by 8% in 2021 with Solar PV and Wind contributing two-thirds of renewables growth. China, United States, European Union and India are expected to contribute to the growth in renewables. (*Ref: The Global Energy Review 2021*)

The long term demand for world primary energy is expected to grow from 2021 onwards till 2040. As per BP Energy Outlook 2019 Edition, 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. With the world population expected to increase from 760 to 970 Crore by 2040 and with expected improvement in quality of life in some of the developing countries like India, the need for more energy is expected in the future. To meet the future energy needs of people, huge investment in refining and power sectors are necessary.

As per the projections, the demand for world crude oil is expected to increase in developing countries while it is expected to be stagnant or marginally reduced in developed countries. However, the demand for Natural Gas is expected to increase in all countries, making Natural Gas as the second best fuel and almost equally important as oil. Together, demand for Oil and Gas are expected to account for more than 50% of total energy consumption by 2040.

The renewable energy has gained importance during the pandemic and the demand is expected to grow many folds by 2040 from the current level. The renewable energy will form significant part of electricity generation in the future years.

During the year 2020-21, the average Indian crude oil basket price was $ 44.82/bbl as compared to $60.47/bbl in the year 2019-20. However, the Indian crude oil basket price which was about $ 19.9 /bbl in April 20 registered a sharp increase and reached $ 64.17/bbl by Mar 2021.The price increase is mainly due to production cuts implemented by OPEC and also resumption of demand for petroleum products in second half of 2020-21. The crude oil prices are expected to be in the range of $60 to $ 75 /bbl during the year 2021-22. *(PPAC 2020-21 Crude Oil data)*

Refining industry and oil market developments

As per PPAC data 2020-21, the consumption of petroleum products in India has decreased significantly from 214 MMT in the year 2019-20 to 194.6 MMT in 2020-21, registering a negative growth rate of 9.1% mainly due to implementation of lockdowns to contain COVID pandemic. In line with the demand, the production of petroleum products got reduced from 262.9 MMT in 2019-20 to 233.4 MMT in 2020-21, recording a negative growth rate of 11.2%. The refining crude throughput also decreased from 254.4 MMT in 2019-20 to 221.8 MMT in 2020-21 due to reduction in demand for petroleum products. Accordingly, the crude imports have decreased from 227.0 MMT in 2019-20 to 198.1 MMT in 2020-21.

The indigenous crude oil production has marginally decreased to 30.5 MMT from 32.2 MMT in the previous year while Natural Gas production has decreased from 31184 (2019-20) to 28672 mmscm (2020-21). Also, the natural gas consumption in India has decreased to 60646 mmscm in 2020-21 as compared to 64144 mmscm (2019-20) in the previous year due to reduced industrial activity during the pandemic situation.

Opportunities and Challenges

As per the Indian Energy outlook report by IEA, demand for crude oil in India is expected to increase from 242 MMT in 2019 to 411 MMT by 2040 as the population is expected to increase by 27 crores and also improvement in living conditions. This estimate is taking into consideration the impact of pandemic on petroleum demand in the short term. The expected demand for more crude oil will provide an opportunity to invest in new refining facilities and requires huge investment in the future. In order to meet the expected growing energy needs in India, especially in the State of Tamilnadu and in other states, CPCL is planning to set up a 9.0 MMTPA refinery at Nagapattinam in Cauvery Basin in Tamilnadu.

The proposed refinery will be set up with necessary secondary processing facilities along with infrastructure and polypropylene production unit, at the existing Cauvery Basin Refinery in Tamilnadu. Investment approval has been obtained and the project will be implemented in Joint Venture with IOCL. The land acquisition activities for additional land requirement are in progress. The Government of Tamilnadu has approved a Memorandum of understanding (MoU) with CPCL for providing the incentive package to the project as per the Tamil Nadu Industrial Policy 2014.

It is envisaged that more people will be opting for personal cars after the pandemic and the need for plastics, fibres, detergents, packaging materials, etc. are also likely to grow to meet the needs of increased population in future.

All these needs will require increased production of petrochemicals. In addition to increase in the volume of petroleum products, the demand for petrochemical feedstocks from refineries will continue to increase. Accordingly, more refineries are including petrochemicals in the design of new refineries.

While demand for Electrical Vehicles is expected to increase in future, it is expected the impact on overall demand for petroleum products will not be significant, as the EV industry needs huge investments over many years. EVs are expected to capture only a fraction of automobile market and the liquid fuels will remain the largest source of power for personal, commercial, air and marine transportation.

The demand for natural gas is likely to be stronger than oil due to its environment friendly composition. Also, with many City Gas Distribution (CGDs) facilities under implementation as per the vision of the Government, the demand for NG in India is expected to be robust and offers opportunities to investments. CPCL has already taken the initiative to utilise NG as an internal fuel replacing Fuel Oil and Naphtha, at an estimated cost of ₹ 350 Crore. All GTs, one Hydrogen Generation Unit and few Boilers have already been converted to NG. Two Boilers and one HGU are expected to be converted to NG in 2021-22. CPCL is also exploring opportunities to increase the internal consumption of NG in Manali Refinery. CPCL is also planning to utilise NG in the proposed new 9 MMTPA project at CBR. Besides improving profitability, implementation of this project will also result in better environment conditions and improves flexibility in processing additional high sulphur crudes thus enhancing crude oil supply security.

CPCL has produced fuel which is suitable for DRDO's missile fuel purpose. This is the first time such strategic fuel for defence purpose is produced by any refinery. This critical fuel has been imported by India so far and now with CPCL's help, it can be produced in India and reduce country's dependence on import.

As part of Sustainability efforts in business operations, CPCL has identified a number of energy conservation schemes and implemented during the year 2020-21 that resulted in reduction in energy consumption by 40,000 SRFT. For the year 2021-22, CPCL has identified more energy conservation schemes and they are under various stages of implementation. These efforts not only reduce fuel & loss but also will boost profitability and sustainability.

As part of profitability improvement, CPCL has identified number of schemes to increase the profits of the company and some of the major items are given below:

- Improved LOBS production
- Maximized Hexane production
- Naphtha Segregation facilities were implemented to produce High Paraffin Naphtha which generate higher margins

Another notable achievement is production of MTO product for the first time from the existing facilities. MTO will fetch higher margin. Market seeding activities are in progress and subsequently, production will be improved. CPCL is also looking for opportunities to increase the production of high value products like LOBS, Propylene, Hexane and others.

As per Global Outlook estimates, demand for Renewable energy is expected to grow many fold, India is one of main contributor for development of solar and wind power in the world with ambitious plans. To utilise the expected growth opportunities emerging in renewable sources of energy sector, CPCL is exploring the possibility of setting up Solar power generation units in a phased manner. In addition, CPCL is also planning to set up roof top solar facilities at Manali refinery to increase solar power usage in the short term.

Risks and Concerns

CPCL has developed a well-defined Risk Management Policy Framework that enables the company to identify the risks and the possible mitigation measures. These risks are monitored at various levels and mitigation measures are modified as per the requirements from time to time.

The risk management network is described below:

Board of Directors

Audit Committee

Risk Management Committee

Risk Management Compliance Committee

Risk owners

- Ensure that risk management framework is reviewed periodically and updated as and when required
- Review the organisation risk profile periodically
- Review and asses the current & planned approach to manage key enterprise risks
- Review the mitigation plan and their status for key enterprise risk

The following broad categories of risks have been considered in the risk management framework:

- High risk includes the range of key factors affecting continuous operation like low capacity utilization, erosion in refining margin, cost and time over run in projects, safety risk and impact in operations and projects due to ongoing COVID pandemic.

  Medium risks includes data leakage, security risk, environmental risk and other Govt. policy decision impacting the profitability and ability to do business
- Low risk includes factors which are less likely related to continuous operation, like variations in interest rate, currency risk, and commodity risk.
- Radar risk includes non-compliance on statutory levies by tax authorities and other liabilities.

COVID related risks

The financial year 2020-21 has been completed with unprecedented challenges and business environment in the history of CPCL as a result of COVID -19 pandemic. The COVID-19 pandemic has created huge adverse business conditions across many industries including oil industry and its impact is likely to be felt in the coming years too. These are once in life time incidents. The fundamentals of oil demand in India continue to be robust.

Various challenges faced by CPCL include lower demand for petroleum products resulting in lower crude throughput and sales; Inadequate availability of manpower for projects implementation; Lower product cracks due to lower demand impacting GRM in 2020-21. However, they are showing better trend in 2021-22.

In order to handle COVID-19 pandemic, SoPs have been developed on social distancing and hygiene inside the working place. Migrant labour were given temporary sheltering during the pandemic to ensure manpower availability for projects. Affordable Rental Housing Complex is being planned to ensure migrant labour availability during pandemic times.

Braving all the challenges, CPCL has performed well even during this difficult period and ensured product supply to people of Tamil Nadu and industries without interruption. The credit for this exemplary performance of the company is due to the commitment and passion of our employees who braved the difficult conditions and ensured continuous operations. CPCL not only ensured regular operations but also improved them with implementation of number of profitability improvement initiatives.

Other COVID related initiatives taken by CPCL towards various stakeholders are elaborated in the Directors report.

Low Capacity Utilisation:

Security in Crude supply is the key to continuous operation and profitability of Manali refinery. During the year 2020-21, 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/D, 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 equipment 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. 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.

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. Natural hedging is available to a large extent. Further, the financial impact of price risk is also planned to be mitigated to certain extent though Risk management tools like Hedging transactions. Demand for the petroleum products was reviewed with IOCL and Spot Crude procurement regulated based on the projected product demand.

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.

Internal Control Systems and their Adequacy

Financial Performance

Operational Performance

Material Developments and Human Resources / Industrial Relations

The Directors' Report has adequately dealt with the above subjects.

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 - VI
BUSINESS RESPONSIBILITY REPORT (BRR) 2020-21

Sl.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	2020-21
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)

Sl.No	Query	Response
8.	List three key products / services that the Company manufactures / provides (as in balance sheet):	HSD, MS & ATF
9.	Total number of locations where business activity is undertaken by the Company:	2
	(i) Number of International locations:	NIL
	(ii) Number of National locations: (as on 31.03.2021)	Operating Refineries: 1
		Manali Refinery, Manali, Chennai- 600068
		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.41814 crore
3.	Total profit after taxes (INR):	Rs.238 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. Despite the mandated CSR budget for the FY 2020-21 being NIL, a gross sum of ₹ 196.51 lakhs was spent towards sustaining the ongoing CSR 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, Skill Development, 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	**07826722**
	Designation	Director(Finance) in charge of HR and MD(I/C)
	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 disadvantaged, 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.

	P1	P2	P3	P4	P5	P6	P7	P8	P9
Questions	Ethics	Products & Services	Employees	Stakeholders Engagement	Human Rights	Environment	Public Policy	Inclusive Growth / CSR	Customer
Do you have policy / policies for.................	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Has the policy being formulated in consultation with the relevant stakeholders?	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 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.								
Does the policy confirm to any national / international standards? If yes, specify? (50 words)									
Has the policy being approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	The policies are approved at appropriate levels by the competent authority including the Board, wherever required								
Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	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.								
Indicate the link for the policy to be viewed online?	https://www.cpcl.co.in/company/overview/our-policies/								

		Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes
		Does the company have in-house structure to implement the policy/ policies?	Yes
		Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy / policies?	Yes
		Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Policies are constantly monitored and reviewed from time to time.

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 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 2020-21 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 179 queries, requests and complaints from the shareholders during the year 2020-21, which were subsequently resolved.
	Other complaints during the year	Nil
		Moreover, during the year, 5 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 ₹ 4800 crore, which constitute two of its major products from Manali Refinery. CPCL had completed & commissioned the following new unit / revamped the existing unit to produce MS & HSD meeting BS–VI quality norms at an estimated cost of about ₹ 1858 Cr. The project consists of the following: i) A new 0.6 MMTPA Gasoline Desulphurisation Unit (GDS) to produce gasoline having less than 8 ppm Sulphur – The unit has been completed & commissioned on 13.01.21. 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 – Unit had been revamped & commissioned on 22.11.19. iii) Associated off-site facility.
		CPCL's R&D centre has taken the following initiatives: (i) **Pilot plant study on the production of Group-II LOBS** Catalytic dewaxing and hydrofinishing studies were carried out to produce Group-II LOBS. The study results were utilized to firming-up the proposal for project realization at plant level. **(ii) Study on Production of Special Solvents** Different Kerosene samples from Hydrocracker Unit were studied for meeting the two grades of Mineral Turpentine Oil (MTO) specifications. Pipeline Compatible Kerosene (PCK) sample was directly meeting the MTO grade with the boiling range specification of IBP 125°C / FBP 240°C. The PCK sample was meeting the MTO grade with the boiling range specification of IBP 145°C / FBP 205°C, after fractionated to the required cut range in TBP Apparatus. Based on this study, commercial scale MTO production had been initiated at plant level. **2. Project on "Renewable crude and liquid hydrocarbon fuel from Algae"** Algae productivity study had been completed in Aug. 2020 for obtaining one year data starting from Sep. 2019. The average algae biomass productivity of 16 g/m2/day was accomplished. Project was completed and project report submitted to Centre of High Technology (CHT). **3. TL study on the conversion of algae biomass to bio-crude** Hydrothermal Liquefaction (HTL) process was optimized to produce bio-crude from algae bio-mass. The study was completed in Aug. 2020 for obtaining one year data starting from Sep. 2019 and bio-crude yield obtained was 24.5 wt.%.

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 i.e. 01.04.2020. 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.
	Efficiency in crude oil sourcing & vessel utilization: Opening crude inventory for FY 2020-21 was 21.3 days and the closing inventory was 20.6 days, which is less than the optimum level of about 26 days. Against MoU throughput of 10290 TMT, CPCL achieved 8243 TMT in 2020-21. In view of crude cut by the term suppliers (because of OPEC cuts) additional crude was procured from other sources to meet the processing requirement, while keeping the inventory under control.
	Energy Conservation: **i) The following major Encon measures were undertaken in 2020-21** • Amine interconnection from plant 12 to 89 • Plant- 213 – Sour gas processing in Plant- 210-SRU • Tracing steam to DCU feed line cut off • Optimization of steam in Vacuum ejectors (CDU-II) • Condensate recovery from OM&S and Ref-3 VAM unit • Straight run kerosene to DHDT along with Gas-Oil via pre-heat train • Rich Amine Flash Drum Gas to Incinerator • DCU HCGO/LCGO Stripper Steam optimization and DHDT Stripping steam reduction • Plant 4 Stripper off gas flaring avoided • Plant-2 Splitter bypassed. The above measures with other minor Encon schemes resulted in an estimated savings of about 41,009 Standard Refinery Fuel Tonnes/ annum (0.50% savings on Fuel & Loss) valuing around ₹ 96.57 crore, on an annualised basis.
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?	The oil & Gas sector is particularly vulnerable to sectoral threats like depletion of resources and geopolitical uncertainties. The Company has Annual contracts in place for its crude oil procurement. Moreover, the Company has diversified its global crude sourcing centers. Further, efforts are put to diversify to expand the crude basket and to minimize inventories. About 20% is sourced through indigenous sources, 80% imported, through Term & SPOT contracts.

	Company has implemented e-Tendering, e- Procurement and e-Payment. Procurement through e-tendering was done to the extent of 97% average by value in respect of Materials Procurements and 96% average by value in respect of Works Contracts/Services was achieved during the financial year 2020-21. 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 and effective from Feb-2020 onwards. The minimum threshold value for applicability of Integrity Pact in procurements was reduced to ₹ 75 lakhs of tender estimate values excluding GST. Also, Integrity Pact is obtained for Nomination - Proprietary Materials procurements.
	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 ₹ 182.54 Crores (Materials & Services) from MSE Vendors out of the total procurement of ₹ 439.23 Crores made during the financial year 2020-21. The procurements made from the MSE Vendors work out to 41.56 % of the total procurements made during the financial year 2020-21, which is higher than the 25% target set by the Government. The procurement percentage of 41.56% from MSE Vendors include 2.17% (Rs. 9.55 Crores) procured from the enterprises owned by SC/ST Entrepreneurs against the sub-target of 4% and 3.65% (Rs. 16.05 Crores) procured from the enterprises owned by Women Entrepreneurs against the sub target of 3% earmarked in the Government order. 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 93.0 % of treated effluent was reused in refinery operations and 1962 MT of oily sludge was treated for oil recovery.

4.	**Principle 3**	
	1. Please indicate the Total number of employees.	Total number of employees as on 31.3.2021 is 1588.
	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 2570 contract workers average per day during the year 2020-21. 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 31.3.2021 is 86.
	4. Please indicate the Number of permanent employees with disabilities.	There are 37 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 2020-21	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	% of employees given safety & skill up-gradation training during 2020-21
Permanent Male employees	83 %
Permanent Women Employees	86 %
Permanent Employees with Disability	54 %
Casual/Temporary/ Contractual Employees/Contract labor	95%

5.	**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 2020-21, though CSR mandated budget being NIL, towards sustaining ongoing CSR projects, CPCL has spent a gross amount of ₹ 196.51 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 352 SC employees and 49 ST employees constituting 22.17% and 3.1% of the total manpower respectively.
6.	**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 2020-21
7.	**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/company/overview/our-policies/
	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.	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 93.0 % of treated effluent was reused in refinery operations and 1962 MT of oily sludge was treated for oil recovery.
	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 2020-21 are as follows: **NGT** Filed a Suo-Motu case on 15.12.20 against 6 industries including CPCL based on the article published in News Desk Magazine dated 11.11.2020 by Chennai Climate Action Group (CCAG) with respect to violation of emission and pollution in Ennore-Manali area. The case is under hearing. **TNPCB:** No Show cause notice received during 2020-21.
8.	**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:
	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.

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
g) Manali Industries Association (MIA)	National

9.	**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 is given below The details of Community Development Projects are as under

Sl. No.	CSR Project	Amount Spent (Rs. in lakhs)
1	Health center at Muttam, Nagapattinam	13.13
2	Mobile Medical Unit at Ramanathapuram	23.78
3	Mobile Medical Unit at Nagapattinam	24.72
4	Swachh Bharat Campaign & Awareness programme	5.22
5	Stipend to Apprentice trainees	126.68
6	Armed Force Flag Day spend	1.00
7	Impact Assessment study	1.98
	TOTAL	196.51

	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 is being done through the modes permitted, namely: a) Registered Trust like CPCL Education Trust which runs the CPCL Polytechnic College, b) Reputed Charitable Institutions like Helpage India, 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 2019-20 including impact assessment was carried out by M/s. UEV Socio Ladder Technologies (P) Ltd., 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, skill development programs, 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 CSR initiatives in Virudhunagar & Ramanathapuram districts being the Aspirational Districts in Tamil Nadu.
10.	**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 31.03.2021.

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-VII
Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2021

[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, 2021 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, 2021according 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.*

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 allotted 8,100 Unsecured, Non – Cumulative, Convertible, Redeemable, Taxable Debentures (SERIES I - 2021) of ₹ 10,00,000/- each aggregating to sum of ₹ 810 Crores with an interest of 5.78% p.a, pursuant to Resolution passed by the Board of Directors dated 20th May, 2020

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

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

(ii) Redemption / Buy-back of Securities.

(iii) Foreign technical collaborations.

(iv) Merger / Amalgamation / Reconstruction.

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 F005869C000428931

Place: Chennai
Date: 07.06.2021

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 F005869C000428931

Place: Chennai
Date: 07.06.2021

Annexure - VIII
Related Party Disclosures in compliance with IndAs 24

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-2021	31-Mar-2020
● Sale of Product and Services	**39814.53**	45180.87
● Dividend on Preference Shares	**33.25**	33.25
● Sale of Scrap / Catalyst	**-**	0.11
● EDP Maintenance	**3.08**	3.20
● Other Operating Income	**31.82**	35.58
● Purchase of Raw Material	**681.13**	105.81
● Purchase of Stock-in-Trade	**39.94**	268.10
● Purchase of Stores & Spares	**4.94**	11.64
● Payment towards License fee	**9.81**	-
● Canalising commission	**6.00**	2.50
● Vessel hiring charges	**20.44**	-
● Terminalling Charges	**2.90**	6.75
● Rental Expenditure	**4.90**	1.73
● Training Expenses	**-**	0.24
● Other Miscellaneous Expenditure	**-**	0.16
● Security Expenses	**0.01**	-
● Purchase of RLNG	**745.83**	682.45
● Finance Cost - Unwinding of finance cost	**0.40**	0.37
● Capital Advances / (Liabilities)	**(4.31)**	(4.58)
● Revenue Advances	**0.13**	-
● Outstanding Receivables	**114.56**	63.85
● Other Liabilities - Land given on lease	**14.74**	15.15
● Other Non - current Assets - Land given on lease	**30.24**	15.44
● Outstanding payables		
Trade Payables	**1077.29**	1077.01
Preference Shares (at face value)	**500.00**	500.00

B.Details of Joint Ventures

i) Indian Additives Limited **(₹ in Crore)**

Particulars	**31-Mar-2021**	31-Mar-2020
● Investment	**11.83**	11.83
● Sale of Product	**11.00**	33.67
● Rental income	**0.14**	0.60
● Dividend received	**5.92**	5.92
● Sale of Water	**-**	0.01
● Outstanding Receivables	**0.76**	3.48

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

Particulars	**31-Mar-2021**	31-Mar-2020
● Investments in Joint Venture Entities/ Associates	**0.03**	0.03
● Claims recoverable	**22.66**	22.66

The Investment & claims recoverable has been fully impaired (Note - 4)

C.Entities Over which KMP has significant influence

i) CPCL Educational Trust **(₹ in Crore)**

Particulars	**31-Mar-2021**	31-Mar-2020
● CSR Expenses	**0.30**	0.50
● Miscellaneous Expenses	**-**	0.01

D. Associates of Holding Company **(₹ in Crore)**

i) Indian Oiltanking Limited (formerly known as IOT Infrastructure & Energy Services Limited)

Particulars	**31-Mar-2021**	31-Mar-2020
● Outstanding payable	**4.76**	4.76

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 (Upto 31.01.2021)	1) Shri Sanjiv Singh (Non - Executive Chairman) (Upto 30.06.2020)
2) Shri Rajeev Ailawadi	2) Shri S M Vaidya (Non - Executive Chairman) (w.e.f 01.07.2020)
3) Shri R.Srikanthan (Upto 30.09.2020)	3) Smt Perin Devi (Upto 23.11.2020)
4) Shri. S.Krishnan (w.e.f. 01.03.2020)	4) Shri D. Durai Ganesan
5) Shri H. Shankar (w.e.f. 01.10.2020)	5) Smt. Sobhana Surendran (w.e.f. 31.10.2019)
6) Shri P.Shankar	6) Shri Mohammad Bagher Dakhili
	7) Shri Babak Bagherpour
	8) Shri M Narayana Rao (w.e.f 29.07.2019)
	9) Shri Amitabh Mathur (w.e.f 29.07.2019)
	10) Shri Manoj Sharma (w.e.f 24.07.2020)
	11) Shri Sukh Ram Meena (w.e.f. 28.12.2020)

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

For the Year ended 31-Mar-2021

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	0.28	0.08	0.36	-	0.72	-	-
2) Shri Rajeev Ailawadi	0.42	0.09	0.06	-	0.57	-	-
3) Shri R.Srikanthan	0.22	0.04	0.44	-	0.71	-	-
4) Shri S.Krishnan	0.46	0.10	-	-	0.56	-	0.02
5) Shri H.Shankar	0.18	0.04	0.02	-	0.24	-	0.22
6) Shri P.Shankar	0.41	0.09	-	-	0.50	-	0.08
B. Independent / Government Nominee Directors#							
1)Shri. D.Durai Ganesan	-	-	-	-	-	0.05	-
2) Shri. Amitabh Mathur	-	-	-	-	-	0.05	-
3) Shri. Myneni Narayana Rao	-	-	-	-	-	0.04	-
4) Smt. Sobhana Surendran	-	-	-	-	-	0.03	-
TOTAL	**1.97**	**0.44**	**0.87**	-	**3.29**	**0.17**	**0.32**

Sitting fees paid to Independent Directors

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. Sobhana 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**

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	31-Mar-2021		31-Mar-2020	
			Contribution by Employer	Outstanding Payable	Contribution by Employer	Outstanding Payable
A	CPCL Employees Provident Fund	Provident Fund	28.25	2.00	22.74	0.55
B	CPCL Employees Superannuation Benefit Fund	Pension Scheme	11.05	-	22.71	-
C	CPCL Employees Group Gratuity Trust	Gratuity	14.28	26.43	0.30	21.90
D	Post Retirement Medical Benefit Trust	PRMB	41.68	11.55	195.00	41.67

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 2021, 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 Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and 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 the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note no.43.2 of the financial statements, which discloses the treatment on capital expenditure incurred on 9 MMTPA project pending approval for the proposed Joint venture by NITI Aayog/ DIPAM. Our opinion is not modified in respect of this matter.

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	HOW IT WAS ADDRESSED DURING AUDIT
Capitalisation of Property Plant & Equipment	
a) Capitalisation of a project generally encompasses several work orders and in some cases capitalisation is done in parts for individual components which may achieve closure at different points of time. In addition, it may involve determination of an useful life which is different from the standard useful life prescribed under the Companies Act, 2013 for the purposes of Depreciation. b) Capitalisation also involves identifying relevant direct, indirect costs and borrowing costs. c) Also, an asset/component/project may not be accurately capitalised initially since the final invoices are not received for a long period of time after the assets are ready for use. In such cases the asset/component/project is capitalised at provisional values and put to use and revised in subsequently periods based on final invoices thereby requiring changes in depreciation and carrying values.	The audit comprised of the following procedures a) Understanding the process of initiating, approving and issue of purchase/work orders b) Process followed in grouping the purchase/work orders for each project/asset/component c) Method followed in identifying direct, indirect costs and borrowing costs for capitalisation d) Procedure for determining date of capitalisation and useful life of the project/asset/component e) Procedure for recalculation of depreciation in case of changes in values already capitalised. f) Performed detailed testing of project/ asset/ component capitalised during the year and changes in values already capitalised.

KEY AUDIT MATTER 1	HOW IT WAS ADDRESSED DURING AUDIT
d) The company has several ongoing asset purchases/ projects spread over more than one financial year. This requires close monitoring of year-wise movements in cost of asset, direct and indirect costs and eventual capitalisation Determination of the timing of capitalisation, the useful life of asset, ensuring that the accurate amount is capitalised or carried forward (in case of incomplete asset/ component/ project) and compliance with Indian accounting standards poses significant audit risk. Hence, it is considered as a key audit matter	g) Ensured adequate disclosures as per Indian Accounting Standard Our audit procedures as detailed above has not revealed any incorrect capitalisation or inadequate disclosures.

KEY AUDIT MATTER 2	HOW IT WAS ADDRESSED DURING AUDIT
Measurement of Inventories (excluding stores and spares)	
a) As at 31st March 2021 the value of Inventory (excluding stores and spares) is ₹ 4203.91 Crores. This constitutes significant percentage of the current assets of the Company. b) The Inventories are initially measured by volume at the natural temperature and various conversion factors are applied to derive the quantitative measure at 15°C. c) The closing Inventory of raw materials has different grades having different weighted average price. The closing inventory of finished products comprises several joint products, having different derived cost of production. d) Considering the various technical measures applied in determining the quantity and value of the inventories, we believe a higher inherent risk is associated with its measurement, requiring significant judgments and estimates. Hence we considered it as a key audit matter. (Please Refer Note No's. 9 and significant accounting policy No.7.1 and 7.2 in Note No.1A)	a) We have evaluated the appropriateness of the management's tank gauging instructions and procedures adopted for recording the Company's physical inventory measurement. b) We have planned and observed the performance of the management's volume measurement procedures at the year end. c) We have derived by reperformance the quantitative measurement by applying conversion metrics for temperature, density and other factors. This conversion metrics was tested on sample basis independently with an external input. The derived measures were compared with the book quantities. d) In case of raw material we have test checked the correctness of the computation of the weighted average cost. e) In respect of stock in process and finished products, we have verified the correctness of valuation. f) We have tested the appropriateness of write down of the inventories to net realisable value of the inventories where required.

KEY AUDIT MATTER 3	HOW IT WAS ADDRESSED DURING AUDIT
Revenue recognition	
a) Revenue is recognised when control of the goods or services are transferred to the customer and is measured at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, excluding discounts, recoveries, and any taxes or duties collected. b) Revenue measurement vary between domestic and merchant export and vary with the mode of transport adopted for transferring control over the goods. The transaction values are based on agreements/MOUs with customers, approval notes and regular business practices.	Our audit procedure included the following: - a) Assessing whether the revenue recognition policies were appropriate b) Testing the design and implementation of internal controls, system driven and manual. c) Effectiveness of cut off procedures d) Analysis of significant sales contracts and credit notes to verify correct accounting treatment.

KEY AUDIT MATTER 3	HOW IT WAS ADDRESSED DURING AUDIT
c) The measurement mechanism of quantity dispatched include calibrated capacity of wagon or truck, weighment of trucks before and after loading, readings of mass flow meter, dip readings. Authentic measurement of goods dispatched is of utmost importance in estimating quantity dispatched. d) Recovery of charges built into prices and discounts given to customers require strong process controls to ensure accuracy of revenue recognized. e) Reliable accounting of Revenue is of high importance as any misstatement will impact all other key performance indicators of the Company. Hence we considered it as a key audit matter.	e) Testing timeliness of revenue recognition by comparing individual sales transactions to delivery documents. f) Testing of accounts receivables by requesting confirmations from the company's customers and by reconciling payments received after the year end against the accounts receivable balances at the year end.

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 Director's Report including Annexures to Director's Report, Management Discussion and Analysis, Business Responsibility Report and Report on Corporate Governance but does not include the standalone 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 financial statements does not cover the other information and we do not and will 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 report and other information as stated above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Management and Those Charged with Governance 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.

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 its accounting transactions except for, computation of per unit cost and consumption of crude and valuation of stock in process and finished products which are done manually and adjustment entries are passed in 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, 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.

   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(B) 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Hence the reporting delay in depositing dues does not arise.

For Padmanabhan Ramani & Ramanujam
Chartered Accountants
FRN: 002510S

P. Ranga Ramanujam
Partner
Membership No: 022201
UDIN: **21022201AAAADT9971**

For Sreedhar Suresh & Rajagopalan LLP
Chartered Accountants
FRN: 003957S/S200145

K.Sreedhar
Partner
Membership No: 024314
UDIN: **21024314AAAAAL5537**

Place: Chennai
Date: April 28, 2021

Annexure- A To Independent Auditors' Report

(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, 2021.)

(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) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. 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	Gross Block (Rs. in crore)	Net Block (Rs.in crore)	No. of Assets	Remarks
Freehold Land	NIL	NIL	2	Lands allotted by the Government of Tamilnadu for which price is not fixed and assignment deed is yet to be executed.
	0.18	0.18	1	Amount deposited with the Government of Tamilnadu for which assignment deed is yet to be executed.

(ii) In our opinion and 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, limited liability partnerships 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 to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company did not grant any loan, investment, guarantees and security during the year which requires compliance under section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the cost records maintained pursuant to the rules specified by the Central Government under section 148(1) of the Act. We 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 the records examined by us, in our opinion, the Company has been regular in depositing with the appropriate authorities the undisputed statutory dues in the case of Provident Fund, Income-Tax, Goods & Services Tax, Customs Duty, Excise 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, 2021 for a period of more than six months from the date they became payable. The provisions of Employees' State Insurance and Service tax are not applicable to the company.

(b) In our opinion and according to the information and explanations given to us, there are no dues of income tax, sales tax, value added tax, service tax, goods and service tax, duty of customs, duty of excise which have not been deposited with the appropriate authorities on account of any dispute as on March 31, 2021 other than those given below:

Sl. No.	Name of the Statute	Nature of Dues	Forum Where Dispute is pending	Gross Amount (₹ in Crore)	Amount Paid under Protest (₹ in Crore)	Period to which the Amount relates (Financial Years)
1	Central Excise Act	Central Excise	CESTAT	2.93	2.46	From April 2006 to June 2017
			Assistant commissioner of central tax & central excise	0.99	0	January 2005-June 2005
2	Sales Tax/VAT Legislations	Sales Tax / VAT	High court	24.06	2.76	2012-13 to 2013-14, 2016-17 (January to March), 2017-18 (April to June)
			Sales Tax Appellate Tribunal	312.83	179.49	Apr 2007 to Sep 2015
			Joint Commissioner (Appeals)	5.34	2.67	2014-15 and 2015-16
			Additional Commissioner	29.31	16.69	2014 (April to October), 2016 (April to September)
			Joint Commissioner(CT)	7.53	0	2016(October to December)
			Deputy Commissioner	2.17	0	1991-92, 2007-08 to 2008-09
3	Finance Act, 1994	Service Tax	Appellate Tribunal	22.69	0.51	2009-10 to 2016-17 (upto June 2017)

(viii) In our opinion and according to the information and explanations given to us and the records examined by us, the Company has not defaulted in repayment of any dues to financial institutions, banks, governments or debenture holders.

(ix) 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 applied for the purpose for which they were raised.

(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) As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company.

(xii) The Company is not a Nidhi Company. Hence, provisions of clause 3(xii) of the Order, are not applicable to the Company.

(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 to the Company.

(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 to the Company

For Padmanabhan Ramani & Ramanujam
Chartered Accountants
FRN: 002510S

P. Ranga Ramanujam
Partner
Membership No: 022201
UDIN: **21022201AAAADT9971**

For Sreedhar Suresh & Rajagopalan LLP
Chartered Accountants
FRN: 003957S/S200145

K.Sreedhar
Partner
Membership No: 024314
UDIN: **21024314AAAAAL5537**

Place: Chennai
Date: April 28, 2021

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, 2021)

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 of Chennai Petroleum Corporation Limited ("the Company") as of March 31, 2021 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, 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 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.

Other Matters

The company's computer systems and software are integrated with the entire group's IT infrastructure maintained centrally by the holding company. All system driven processes and controls are devised, implemented and monitored by the holding company. The system audit report provided by the holding company covers the IT infrastructure of the holding company and not specifically for the company.

The data used in preparation of financial statements are generated extensively through computer systems located off-site at the holding company, a separate full-fledged system audit covering all the aspects of the company's IT infrastructure and controls per-se, is essential as a monitoring tool to gain assurance of operational effectiveness of the IT controls. However during our audit we have not observed any major deficiencies. Our opinion is not modified in this regard.

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, 2021, 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: **21022201AAAADT9971**

For Sreedhar Suresh & Rajagopalan LLP
Chartered Accountants
FRN: 003957S/S200145

K.Sreedhar
Partner
Membership No: 024314
UDIN: **21024314AAAAAL5537**

Place: Chennai
Date: April 28, 2021

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STANDALONE BALANCE SHEET AS AT 31ST MARCH 2021

₹ in Crore

Particulars	Note No.	As at 31-Mar-21	As at 31-Mar-20
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	7096.56	7012.51
(b) Capital work-in-progress	2.1	1308.63	1375.51
(c) Intangible assets	3	45.61	21.60
(d) Intangible assets under development	3.1	241.80	222.29
(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	54.68	51.26
(iii) Other Financial Assets	6	111.08	80.83
(f) Deferred tax assets (Net)	7	-	933.52
(g) Income tax assets (Net)	7	51.06	49.44
(h) Other non-current assets	8	60.26	47.77
		8981.62	9806.67
(2) Current assets			
(a) Inventories	9	4508.91	2360.87
(b) Financial Assets			
(i) Trade receivables	10	199.98	123.90
(ii) Cash and cash equivalents	11	1.15	0.05
(iii) Other bank balances	12	3.68	3.68
(iv) Loans	5	33.22	33.06
(v) Other Financial Assets	6	17.84	52.90
(c) Other current assets	8	292.00	287.80
		5056.78	2862.26
TOTAL ASSETS		14038.40	12668.93
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	13	148.91	148.91
(b) Other Equity	14	1275.66	1043.37
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	3017.95	2940.27
(ii) Other financial liabilities	16	6.72	6.84
(b) Provisions	17	109.47	100.63
(c) Deferred tax liabilities (Net)	7	103.52	-
(d) Other non-current liabilities	18	14.99	13.64
		3252.65	3061.38
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	5650.69	5732.68
(ii) Trade payables	20		
- Total outstanding dues of micro and small enterprises		9.38	0.56
- Total outstanding dues of creditors other than micro and small enterprises		1872.60	1554.11
(iii) Other financial liabilities	16	1124.98	670.44
(b) Other current liabilities	18	656.47	415.96
(c) Provisions	17	47.06	41.52
		9361.18	8415.27
TOTAL EQUITY AND LIABILTIES		14038.40	12668.93
See accompanying notes to the financial statements	1-43		

for and on behalf of Board of Directors

(Rajeev Ailawadi)
Director (Finance) & Managing Director i/c
DIN - 07826722

(S. Krishnan)
Director (Operations)
DIN - 08691391

(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 : 21022201AAAADT9971

For SREEDHAR SURESH & RAJAGOPALAN LLP
Chartered Accountants
(FRN: 003957S / S200145)

K. Sreedhar
Partner
Membership No. 024314
UDIN : 21024314AAAAAL5537

Place : Chennai
Date : 28-Apr-2021

STANDALONE STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH 2021

₹ in Crore

	Particulars	Note No.	For the Year ended 31-Mar-21		For the Year ended 31-Mar-20	
I.	Revenue from operations	21		41899.07		48706.32
II.	Other income	22		106.88		24.13
III.	Total Income (I + II)			42005.95		48730.45
IV.	Expenses:					
	Cost of materials consumed	23		19864.68		35793.34
	Purchase of Stock-in-Trade			39.94		896.49
	Changes in Inventories (Finished Goods and Work-In Progress)	24		(892.06)		990.41
	Excise Duty			19454.31		11533.48
	Employee benefits expense	25		564.51		507.83
	Finance costs	26		375.04		413.25
	Depreciation and Amortisation expense on:					
	a) Tangible Assets	2	462.50		466.59	
	b) Intangible Assets	3	3.29		1.59	
				465.79		468.18
	Impairment on Property, Plant and Equipment / CWIP			1.59		54.42
	Other expenses	27		855.61		1089.08
	Total Expenses (IV)			40729.41		51746.48
V	Profit/(Loss) before Exceptional items and tax (III - IV)			1276.54		(3016.03)
VI	Exceptional Items			-		-
VII	Profit/(Loss) before tax (V + VI)			1276.54		(3016.03)
VIII	Tax expense:	7				
	(1) Current tax [Includes Nil (2020: ₹ 94.51 Crore relating to prior years]			-		94.51
	(2) Deferred tax			1038.98		(1032.96)
IX	Profit/(loss) for the year from continuing operations (VII - VIII)			237.56		(2077.58)
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)			237.56		(2077.58)
XIV	Other Comprehensive Income	28				
	A. (i) Items that will not be reclassified to profit or loss			(7.21)		(60.95)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	7		1.94		21.30
	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)			232.29		(2117.23)
XVI	Earning per equity share:					
	(1) Basic (₹)	30		15.95		(139.52)
	(2) Diluted (₹)			15.95		(139.52)
	See accompanying notes to the financial statements	1-43				

for and on behalf of Board of Directors

(Rajeev Ailawadi)
Director (Finance) & Managing Director i/c
DIN - 07826722

(S. Krishnan)
Director (Operations)
DIN - 08691391

(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 : 21022201AAAADT9971

For SREEDHAR SURESH & RAJAGOPALAN LLP
Chartered Accountants
(FRN: 003957S / S200145)

K. Sreedhar
Partner
Membership No. 024314
UDIN : 21024314AAAAAL5537

Place : Chennai
Date : 28-Apr-2021

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2021

(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 2020	148911400	148.91	-	-	148.91
At 31 March 2021	**148911400**	**148.91**	**-**	**-**	**148.91**

(b) Other equity

₹ in Crore

	Reserve and Surplus					Total
	Securities Premium	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	-	-	-	-	-	-
Dividend	-	-	-	-	-	-
At 31 March 2020	**250.04**	**600.00**	**0.09**	**(3346.26)**	**3539.50**	**1043.37**

₹ in Crore

	Reserve and Surplus					Total
	Securities Premium	Capital Redemption reserve	Capital reserve	Retained earnings	General reserve	
At 01 April 2020	250.04	600.00	0.09	(3346.26)	3539.50	**1043.37**
Profit for the Year	-	-	-	237.56	-	**237.56**
Other comprehensive income (Remeasurement of gain or loss on defined benefit plan)	-	-	-	-	(5.27)	**(5.27)**
Total comprehensive income	-	-	-	237.56	(5.27)	**232.29**
Transfer to Retained Earnings	-	-	-	-	-	-
Dividend	-	-	-	-	-	-
At 31 March 2021	**250.04**	**600.00**	**0.09**	**(3108.70)**	**3534.23**	**1275.66**

for and on behalf of Board of Directors

(Rajeev Ailawadi)
Director (Finance) & Managing Director i/c
DIN - 07826722

(S. Krishnan)
Director (Operations)
DIN - 08691391

(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 : 21022201AAAADT9971

For SREEDHAR SURESH & RAJAGOPALAN LLP
Chartered Accountants
(FRN: 003957S / S200145)

K. Sreedhar
Partner
Membership No. 024314
UDIN : 21024314AAAAAL5537

Place : Chennai
Date : 28-Apr-2021

STANDALONE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2021

₹ in Crore

	Particulars	For the Year ended 31-Mar-21	For the Year ended 31-Mar-20
A	Cash Flow from Operating Activities		
1	**Profit Before Tax**	**1276.54**	(3016.03)
2	**Adjustments for :**		
	Depreciation of property, plant and equipment	462.50	466.59
	Impairment of Property, Plant and Equipment / CWIP	1.59	54.42
	Unclaimed / Unspent liabilities written back	(0.11)	(3.34)
	Loss/(gain) on disposal of property, plant and equipments (net)	51.34	12.08
	Amortisation and impairment of intangible assets	3.29	1.59
	Amortisation of Government Grants	(1.31)	(0.47)
	Net Exchange Differences	(4.98)	32.50
	Provision for Capital work-in-progress / Doubtful Debts written back	(1.10)	(2.38)
	Provision for Doubtful Debts, Advances and Claims	0.29	-
	Remeasurement of Defined Benefit Plans thru OCI	(7.21)	(60.95)
	Provision for Stores (net)	0.76	3.82
	Finance income	(14.40)	(18.01)
	Finance costs	375.04	413.25
	Dividend Income	(5.92)	(5.92)
3	**Operating Profit before Working Capital Changes (1+2)**	**2136.32**	(2122.85)
4	**Change in Working Capital:**		
	(Excluding Cash & Cash equivalents)		
	Trade Receivables & Other receivables	(90.73)	152.98
	Inventories	(2148.80)	2482.39
	Trade and Other Payables	300.84	(959.74)
	Provisions	256.24	(128.72)
	Change in Working Capital	**(1682.45)**	1546.91
5	**Cash Generated From Operations (3+4)**	**453.87**	(575.94)
6	**Less : Taxes paid**	(1.62)	(45.48)
7	**Net Cash Flow from Operating Activities (5-6)**	**452.25**	(621.42)
B	Cash Flow from Investing Activities:		
	Proceeds from sale of Property, plant and equipment / Transfer of Assets	0.60	0.12
	Purchase of Property, plant and equipment	(568.87)	(987.07)
	Interest received (Finance Income)	14.40	18.01
	Dividend Income	5.92	5.92
	Net Cash Generated/(Used) in Investing Activities:	**(547.95)**	(963.02)

C	**Net Cash Flow From Financing Activities:**		
	Proceeds from Long-Term Borrowings	1010.00	1464.65
	Repayments of Long-Term Borrowings (Including lease liability)	(518.79)	(350.49)
	Proceeds from/(Repayments of) Short-Term Borrowings	(81.99)	858.71
	Interest paid	(312.42)	(388.55)
	Net Cash Generated/(Used) from Financing Activities:	**96.80**	1584.32
D	**Net Change in Cash & cash equivalents (A+B+C)**	**1.10**	(0.12)
E-1	Cash & cash equivalents as at end of the year	1.15	0.05
E-2	Cash & cash equivalents as at beginning of the year	0.05	0.17
	NET CHANGE IN CASH & CASH EQUIVALENTS (E 1- E 2)	**1.10**	(0.12)

Notes :

1. Cash Flow Statement is prepared using Indirect method as per Indian Accounting Standard -7 Cash Flow Statement.

Reconciliation between opening and closing balances of financial liabilites with the net cash generated /(Used) from financing activities:

₹ in Crore

Financial Liabilities	**As at 31.03.2019**	**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)	1794.00	1100.19	13.97	24.70	32.50	2965.36
Short Term Borrowings	4873.97	858.71	-	-	-	5732.68

Financial Liabilities	**As at 31.03.2020**	**Cash Flow**	**Non-cash Changes**			**As at 31.03.2021**
			Lease Liability	**Interest Accrued but not due**	**Foreign exchange movement**	
Long Term Borrowings (Including Other Current Financial Liability)	2965.36	491.21	11.31	61.14	(12.75)	3516.27
Short Term Borrowings	5732.68	(81.99)	-	-	-	5650.69

for and on behalf of Board of Directors

(Rajeev Ailawadi)
Director (Finance) & Managing Director i/c
DIN - 07826722

(S. Krishnan)
Director (Operations)
DIN - 08691391

(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 : 21022201AAAADT9971

For SREEDHAR SURESH & RAJAGOPALAN LLP
Chartered Accountants
(FRN: 003957S / S200145)

K. Sreedhar
Partner
Membership No. 024314
UDIN : 21024314AAAAAL5537

Place : Chennai
Date : 28-Apr-2021

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, 2021. 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 28th April, 2021.

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 carried at historical cost) are stated at cost, net of tax credit availed and after reducing accumulated depreciation and accumulated 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 recognized 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 recognizes 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 recognized, 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 recognized 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 recognized 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 recognized 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 is 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 lows 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 weighted average cost.

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, 2020

Amendments to Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors

Definition of the term 'material' is refined and related clarifications have been provided. Consequential amendments to other standards has been done. The Company has adopted the amendments w.e.f April 1, 2020. There is no impact due to this amendment.

Amendments to Ind AS 103, Business Combinations

Not applicable

Amendment to Ind AS 107 & 109, Financial Instruments

The Company has adopted the amendments w.e.f April 1, 2020. Additional disclosures pertaining to Interest rate benchmark reforms has been prescribed in Ind AS 107 & 109. There are no such transactions during the year and there is no impact due to this amendment.

Amendment to Ind AS 116, Leases relating to accounting of COVID related Rent concessions on leases.

There are no such transactions during the year and accordingly, no impact due to this amendment.

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.

CPCL

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 2020	48.95	5.92	179.37	8560.49	38.09	11.90	7.10	-	20.31	16.80	**8888.93**
	Additions during the Year (Note: E)	0.13	-	17.45	567.02	6.89	-	0.87	-	-	9.83	**602.19**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	7.70	(86.96)	(1.68)	(1.47)	(0.86)	-	-	-	**(83.27)**
	Gross Block as at 31st March 2021	**49.08**	**5.92**	**204.52**	**9040.55**	**43.30**	**10.43**	**7.11**	**-**	**20.31**	**26.63**	**9407.85**
DEPRECIATION, AMORTISATION AND IMPAIRMENT	Depreciation and Amortisation as at 1st April 2020	-	0.35	30.27	1691.03	20.86	2.88	3.14	-	5.20	3.84	**1757.57**
	Depreciation and Amortisation during the Year:	-	0.07	6.55	440.00	7.10	1.45	0.72	-	0.97	5.64	**462.50**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	0.37	(27.14)	(3.23)	(0.75)	(0.58)	-	-	-	**(31.33)**
	Total Depreciation and Amortisation upto 31st March 2021	-	**0.42**	**37.19**	**2103.89**	**24.73**	**3.58**	**3.28**	-	**6.17**	**9.48**	**2188.74**
	Total Impairment Loss as at 1st April 2020	-	-	19.01	99.57	-	-	-	-	0.27	-	**118.85**
	Impairment Loss during the Year (Note: D)	-	-	-	3.70	-	-	-	-	-	-	**3.70**
	Impairment loss reversed during the Year	-	-	-	-	-	-	-	-	-	-	-
	Total Impairment Loss upto 31st March 2021	-	-	**19.01**	**103.27**	-	-	-	-	**0.27**	-	**122.55**
NET BLOCK	**AS AT 31st March 2021**	**49.08**	**5.50**	**148.32**	**6833.39**	**18.57**	**6.85**	**3.83**	**-**	**13.87**	**17.15**	**7096.56**
	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

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 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

Notes :

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 GST ITC), 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 (2020 : ₹ 0.003 Crore)

D. Impairment loss pertains to Cauvery Basin Refinery (refer Note 43.1)

E. Additions to Gross Block includes :

Asset Particulars **₹ in Crore**

	Borrowing Cost	
	31-Mar-21	31-Mar-20
Plant and Equipment	26.00	10.92
Total	**26.00**	**10.92**

Details of assets given on lease included in the above: **₹ in Crore**

Asset Particulars	Gross Block as at 1st April 2020	Accumulated Depreciation & Amortisation	Accumulated Impairment loss	W.D.V as at March 31,2021	W.D.V as at March 31,2020
Land	5.32	-	-	**5.32**	5.32
Buildings	0.40	0.05	0.17	**0.18**	0.19
Plant and Equipment	3.91	1.08	-	**2.83**	3.01
Total	9.63	1.13	0.17	**8.33**	8.52

Note – 2.1 : CAPITAL WORK-IN-PROGRESS

₹ in Crore

Sl.No	Particulars	Note		31-Mar-21	31-Mar-20
1	Construction Work in Progress - Property, Plant & Equipment				
	(Including unallocated capital expenditure, materials at site)				
	Balance as at beginning of the year		1243.25		1044.25
	Add: Additions during the year		354.72		798.79
	Less: Allocated / Adjusted during the year		515.22		599.79
			1082.75		1243.25
	Less: Provision for Capital Losses		1.51		1.51
	Less: Impairment Loss	A	0.22		2.33
				1081.02	1239.41
2	Capital stores balance as at beginning of the year		10.30		24.99
	Add: Additions during the year		71.56		83.00
	Less: Allocated / Adjusted during the year		48.74		97.69
			33.12		10.30
	Less: Provision for Capital Losses		3.30		3.01
	Capital stores			**29.82**	7.29
3	Capital Goods in Transit			**36.72**	8.08
4	Construction Period Expenses pending allocation:				
	Balance as at beginning of the year		120.73		60.34
	Net expenditure during the year (Note -"2.2")		81.96		79.43
			202.69		139.77
	Less: Allocated / Adjusted during the year		41.62		19.04
				161.07	120.73
	TOTAL	**B**		**1308.63**	1375.51

Notes :

A Impairment loss pertains to Cauvery Basin Refinery (refer Note 43.1)

B The cost of assets includes EPCG benefit (net of GST ITC), net of VAT CREDIT/CENVAT/GST ITC wherever applicable

Note – 2.2 : CONSTRUCTION PERIOD EXPENSES(NET) DURING THE YEAR

₹ in Crore

	Particulars	31-Mar-21	31-Mar-20
1	Employee Benefit expenses	**24.94**	27.33
2	Power & Fuel	**0.65**	1.39
3	Finance Cost	**47.04**	48.28
4	Others	**9.33**	2.43
	Net Expenditure during the year	**81.96**	79.43
	Specific borrowings eligible for capitalisation (Rate in %)	5.68% to 7.85%	3.15% to 8.4%

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 2020	1.08	26.71	27.79
	Additions during the Year	0.62	26.16	26.78
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	0.57	-	0.57
	Gross Block as at 31st March 2021	**2.27**	**52.87**	**55.14**
AMORTISATION AND IMPAIRMENT (A)	Amortisation as at 1st April 2020	0.90	5.27	6.17
	Amortisation during the Year	0.71	2.58	3.29
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	0.05	-	0.05
	Total and Amortisation upto 31st March 2021	**1.66**	**7.85**	**9.51**
	Total Impairment Loss as at 1st April 2020	0.02	-	0.02
	Impairment Loss during the Year	-	-	-
	Impairment loss reversed during the Year	-	-	-
	Total Impairment Loss upto 31st March 2021	**0.02**	-	**0.02**
NET BLOCK	**AS AT 31st March 2021**	**0.59**	**45.02**	**45.61**
	AS AT 31st March 2020	0.16	21.44	21.60

Previous 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 (A)	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	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

(2) Intangible assets with indefinite useful life

Current year: ₹ in Crore

		Right of Way
GROSS BLOCK	Gross Block as at 1st April 2020	0.27
	Additions during the Year	-
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-
	Gross Block as at 31st March 2021	**0.27**
AMORTISATION AND IMPAIRMENT (A)	Total Impairment Loss as at 1st April 2020	0.27
	Impairment Loss during the Year	-
	Impairment loss reversed during the Year	-
	Total Impairment Loss upto 31st March 2021	**0.27**
NET BLOCK	**AS AT 31st March 2021**	-
	AS AT 31st March 2020	-

Previous 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 (A)	Total Impairment Loss as at 1st April 2019	0.27
	Impairment Loss during the Year	-
	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	-

Note :

(A) Impairment loss pertains to Cauvery Basin Refinery (refer Note 43.1)

Note – 3.1 : INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Crore

Particulars		31-Mar-21	31-Mar-20
Work in Progress - Intangible Asset:			
Balance as at beginning of the year	222.29		77.99
Add: Net expenditure during the year	19.51		144.30
		241.80	222.29
TOTAL		**241.80**	222.29

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	
			(₹)	**31-Mar-21**	31-Mar-20
I	**Investments in equity shares**				
1	**Unquoted:**				
a)	**Investment in Joint Venture Companies:**				
	i) Indian Additives Ltd.	1183401	100	**11.83**	11.83
		Equity Shares			
		fully paid			
	ii) National Aromatics and Petrochemical Corporation Limited	25000 Equity Shares	10	**0.03**	0.03
	Less: Impairment in value of investment	fully paid	A	**0.03**	0.03
				-	-
	TOTAL			**11.83**	11.83
	Aggregate value of unquoted investments			**11.86**	11.86
	Aggregate amount of impairment in value of investments			**0.03**	0.03

Note – 4.1 : OTHER INVESTMENTS

Sl. No	Particulars	No. and Particulars	Face Value per share	Non-current	
			(₹)	**31-Mar-21**	31-Mar-20
I	**Other Investments:**				
	Investments at fair value through OCI (fully paid):				
a)	Biotech Consortium India Ltd	100000	10	**0.10**	0.10
		Equity Shares fully paid			
b)	MRL Industrial Cooperative Service Society Ltd	9000 Shares fully paid	10	**0.01**	0.01
	TOTAL		B	**0.11**	0.11
	Aggregate value of unquoted investments			**0.11**	0.11
	Aggregate amount of impairment in value of investments			**-**	-

Note :

A National Aromatics and Petrochemical Corporation Limited is not operational. The company has decided to exit from the JV and the process in this regard is already initiated.

B Fair Value approximates carrying value

Note – 5 : LOANS

₹ in Crore

Sl. No	Particulars	Note		Non-current 31- Mar-21	Non-current 31-Mar-20		Current 31-Mar-21	Current 31-Mar-20
1	**Security Deposits**							
	To Others							
	i) Unsecured, Considered Good			**1.34**	1.24		**21.95**	21.45
2	**Loans Receivables:**							
	To Related Parties							
	i) Considered Good -Secured	**A.1**	0.15		0.02	0.02		0.01
	ii) Considered Good -Unsecured	**A.2**	0.11		0.08	0.04		0.03
			0.26		0.10	**0.06**		0.04
	To Others							
	i) Considered Good -Secured		46.09		38.18	5.35		5.43
	ii) Considered Good -Unsecured		6.99		11.74	5.86		6.14
			53.08		49.92	**11.21**		11.57
	Sub Total			**53.34**	50.02		**11.27**	11.61
	TOTAL			**54.68**	51.26		**33.22**	33.06
Notes :								
A.1	**Includes:**							
1	Due from Directors			**0.14**	0.00		**0.01**	-
2	Due from Officers			**0.01**	0.02		**0.01**	0.01
A.2	**Includes:**							
1	Due from Directors			**0.07**	0.02		**0.02**	0.01
2	Due from Officers			**0.04**	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 31-Mar-21	Amount as on 31-Mar-20	Maximum Amount outstanding during the year ended 31-03-21	Maximum Amount outstanding during the year ended 31-Mar-20
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	Note	Non-Current			Current	
			31-Mar-21	31-Mar-20		31-Mar-21	31-Mar-20
1	**Deposit for Leave Encashment Fund**		**111.08**	80.83		**-**	-
2	**Claims Recoverable :**						
	a) From Related Parties						
	i) Unsecured, Considered Good	A	-	-	0.89		1.17
	ii) Unsecured, Considered Doubtful		-	-	22.66		22.66
			-	-	23.55		23.83
	Less : Provision for Doubtful Claims				22.66		22.66
	Sub Total		-	-		**0.89**	1.17
	b) Others						
	i) Unsecured, Considered Good		-	-	16.41		46.89
	ii) Unsecured, Considered Doubtful		-	-	5.89		7.02
			-	-	22.30		53.91
	Less : Provision for Doubtful Claims		-	-	5.89		7.02
	Sub Total		-	-		**16.41**	46.89
3	**Other Financial Assets**		-	-		**0.54**	4.84
	TOTAL		**111.08**	**80.83**		**17.84**	**52.90**

A Pertains to IOC holding Co.

Note – 7 : INCOME TAX ASSETS/ LIABILITIES (NET)

₹ in Crore

Particulars	Non - Current		Current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Income Tax Asset / (Liability) - Net				
Advance payments for Income Tax	705.69	704.07	-	-
Less: Provision for Income Tax	654.63	654.63	-	-
Income Tax Asset / (Liability) - Net	**51.06**	49.44		-
TOTAL	**51.06**	49.44		-

(I) Reconciliation between the average effective tax rate and the applicable tax rate is as below:

	Note	31-Mar-21	31-Mar-20
Accounting profit			
Tax at the applicable tax rate of 25.17% (31.3.2020: 34.94%)		**25.17%**	**34.94%**
Tax effect of income that are not taxable in determining taxable profit:		-	0.03%
Tax effect of expenses that are not deductible in determining taxable profit:		0.70%	(0.41%)
Tax expense /income related to prior years :		-	(3.13%)
Tax effect on recognition of previously unrecognised allowances / disallowances :		1.18%	(0.31%)
Tax effect due to Change in applicable Tax rates :	**A**	54.35%	-
Tax expense		**81.39%**	**31.12%**

(II) In compliance of Ind As 12 on "Income Taxes", the item wise details of deferred tax liability (net) are as under:

	As at	Provided during the Year	Provided during the Year in OCI	As at	Provided during the Year	Provided during the Year in OCI	As at 31-Mar-21
	31-Mar-19	2019-20	2019-20	31-Mar-20	2020-21	2020-21	
					(Note - A)		
Deferred tax liability:							
Related to Property,Plant & Equipment (Depreciation)	1043.51	113.81	-	1157.32	(397.95)	-	759.37
Total deferred tax liability (A)	**1043.51**	**113.81**	-	**1157.32**	**(397.95)**	-	**759.37**
Deferred tax assets:							
Carry forward Business Loss/ Unabsorbed Depreciation	291.56	1164.71	-	1456.26	(822.20)	-	634.06
Provision on Inventories, Trade Receivables, Loans and advances, CWIP, Investments etc.	26.63	(11.90)	-	14.73	(4.65)	-	10.08
43B Disallowances, Bonus, Gratuity etc.	4.59	(6.03)	21.30	19.86	(10.09)	1.94	11.71
MAT Credit Entitlement	599.99	-	-	599.99	(599.99)	-	-
Total deferred tax assets (B)	**922.77**	**1146.77**	**21.30**	**2090.84**	**(1436.93)**	**1.94**	**655.85**
Deferred Tax Liability (Net) (A - B)	**120.74**	**(1032.96)**	**(21.30)**	**(933.52)**	**1038.98**	**(1.94)**	**103.52**

A. Pursuant to the introduction of Section 115BAA of the Income Tax Act, 1961, the company has an option to pay corporate income tax at the rate of 22% plus applicable surcharge and cess (lower rate) as against the earlier rate of 30% plus applicable surcharge and cess, subject to certain conditions. Considering all the provisions under said section 115BAA of the Income Tax Act, 1961 the Company has decided to avail the lower rate from FY 2019-20.

Accordingly, the Company has recognized Provision for Income tax for the year ended 31st March, 2021 and re-measured the net Deferred Tax Liabilities at the lower rate.

Further, the Minimum Alternate Tax balance as on 31st March, 2020 has not been carried forward as per provision of Section 115BAA of the Income Tax Act, 1961. The MAT balance of ₹ 599.99 Crore and the net impact on deferred tax due to this change is ₹ 93.77 crore is accounted as Tax expense during the year.

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 applicable to the company.

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 and timing of such earnings.

Note – 8 : OTHER ASSETS

₹ in Crore

Sl. No	Particulars	Note	Non- Current		Current	
			31-Mar-21	31-Mar-20	**31-Mar-21**	31-Mar-20
1	**Advance for Capital Expenditure**					
	a) To Related Parties					
	i) Unsecured, Considered Good		**-**	-	**-**	-
	b) To Others					
	i) Unsecured, Considered Good		**2.15**	5.17	**-**	-
2	**Advances**					
	a) To Related Parties					
	i) Unsecured, Considered Good			-	**0.13**	-
	b) To Others					
	i) Unsecured, Considered Good		**-**	-	**50.32**	34.22
3	**Claims Recoverable :**					
	From Custom, Excise, Sales tax, Income Tax dept & Others					
	i) Unsecured, Considered Good		**-**	-	**210.42**	215.48
4	**GST-ITC recoverable**		**-**	-	**13.10**	25.39
5	**Balance with Customs, Port Trust and**					
	Excise Authorities:					
	i) Unsecured, Considered Good		**-**	-	**6.11**	0.37
6	**Gold / Other Precious Metals**		**-**	-	**9.10**	9.53
7	**Deferred Expenses**		**27.87**	27.16	**2.82**	2.81
8	**Other Assets**	**A**	**30.24**	15.44	**-**	-
	TOTAL		**60.26**	47.77	**292.00**	287.80

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		31-Mar-21	31-Mar-20
1	**In Hand :**			
	a. Stores, Spares etc.	337.58		303.77
	Less : Provision for Losses	40.05		39.29
			297.53	264.48
	b. Raw Materials		**1518.69**	605.21
	c. Finished Products		**1935.27**	1061.74
	d. Stock in Process		**299.96**	281.43
			4051.45	2212.86
2	**In Transit :**			
	a. Stores & Spares etc.		**7.47**	5.91
	b. Raw Materials		**449.99**	142.10
			457.46	148.01
	TOTAL		**4508.91**	2360.87
Amount of write down of inventories to NRV and recognised as expense			**81.57**	1455.71

Valuation of Inventories are done as per sl. no.7 of Significant accounting policies (Note-1A).

Note – 10 : TRADE RECEIVABLES

₹ in Crore

Particulars	Note		31-Mar-21	31-Mar-20
a) From Related Parties				
i) Considered Good - Unsecured	(i)	114.42		66.16
b) From Others				
i) Considered Good - Secured	(ii)	-		1.43
ii) Considered Good -Unsecured		85.56		56.31
			199.98	123.90
TOTAL	A		**199.98**	123.90

Notes :

(i) Includes receivables from Indian Oil Corporation Ltd., the holding company ₹ 113.66 Crore (2020: ₹ 62.68 Crore) and receivables from Indian Additives Limited, Joint Venture Company ₹ 0.76 Crore (2020: ₹ 3.48 Crore).

(ii) Represents dues for which mortgage and first charge on Land is in favour of the company -NIL (2020: ₹ 100 Crore)

A **Offsetting Financial Assets and Financial Liabilties:**

The following table presents the recognised financial instruments that are offset as at 31st March 2021 and 31st March 2020

Particulars	Effects of offsetting on the balance sheet		
	Gross Amount	Gross Amounts set off in the balance sheet	Net Amounts presented in the balance sheet
31-03-21			
Financial Assets			
Trade receivables	1489.66	1289.68	199.98
Financial Liabilities			
Trade Payables	3171.66	1289.68	1881.98
31-03-20			
Financial Assets			
Trade receivables	535.71	411.81	123.90
Financial Liabilities			
Trade Payables	1966.48	411.81	1554.67

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	31-Mar-21	31-Mar-20
1	**Bank Balances with Scheduled Banks :**		
	Current Account	**1.15**	0.05
	TOTAL	**1.15**	0.05

Note – 12 : OTHER BANK BALANCES

₹ in Crore

	Particulars	Note	31-Mar-21	31-Mar-20
1	Earmarked Balances	A	**3.68**	3.68
	TOTAL		**3.68**	3.68

Note :

A) Pertains to Unpaid dividend (Refer note 16- Sl.No.6)

Note – 13 : EQUITY SHARE CAPITAL

₹ in Crore

Particulars	Note	31-Mar-21	31-Mar-20
Authorized:			
Equity:			
40,00,00,000 (2020: 40,00,00,000) Equity Shares of ₹ 10 each		400.00	400.00
Preference:			
100,00,00,000 (2020:100,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each		1000.00	1000.00
		1400.00	1400.00
Issued :			
Equity:			
14,89,11,400 (2020: 14,89,11,400) Equity Shares of ₹ 10 each	(i)	148.91	148.91
Preference:			
50,00,00,000 (2020: 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 (2020: 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 31.03.2021 is ₹ 500 crore.

Preference Shares classified as financial liability (long term borrowing) as per Ind AS 32 - Refer note - 15(D)

Note – 13 : EQUITY SHARE CAPITAL

A. Reconciliation of No. of Shares	31-Mar-21		31-Mar-20	
	Equity Shares	**Preference Shares**	Equity Shares	Preference Shares
Opening Balance	148,911,400	500,000,000	148,911,400	500,000,000
Shares Issued	-	-	-	-
Shares bought back / Redeemed	-	-	-	-
Closing Balance	**148,911,400**	**500,000,000**	148,911,400	500,000,000

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**

	31-Mar-21	31-Mar-20
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	31-Mar-21		31-Mar-20	
	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

Note – 14 : OTHER EQUITY

₹ in Crore

Sl. No	Particulars	Note		31-Mar-21	31-Mar-20
1	**Retained Earnings**				
a)	**General Reserve :**				
	As per last Account		3539.50		3579.15
	Add: Remeasurement of Defined Benefit Plans		(5.27)		(39.65)
				3534.23	3539.50
b)	**Surplus (Balance in Statement of Profit and Loss):**				
	Balance Brought Forward from Last Year's Account		(3346.26)		(1268.68)
	Add: Profit / (Loss) for the Year		237.56		(2077.58)
	Less: APPROPRIATIONS:				
	Final Dividend		-		-
	Balance carried forward to next year's account			(3108.70)	(3346.26)
				425.53	193.24

Sl. No	Particulars	Note	31-Mar-21	31-Mar-20
2	**Other Reserves**			
a)	**Capital Redemption Reserve :**	A		
	As per last Account		**600.00**	600.00
b)	**Securities Premium:**	B		
	As per last Account		**250.04**	250.04
c)	**Capital Reserve**			
	As per last Account		**0.09**	0.09
	TOTAL		**1275.66**	1043.37

Note :

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 Capital Redemption Reserve Account : To be utilised for redemption of Preference Shares

B 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	
				31-Mar-21	31-Mar-20		**31-Mar-21**	31-Mar-20
I.	**SECURED LOANS**							
1	**Term Loans:**							
	From banks							
	i) INR Loan	A	-		500.00		-	3.34
	ii) Foreign Currency Loans US $ 50 Million (2020: US $ 50 Million)	B	-		378.85	**365.79**		
	Total (Loans from Banks)			**-**	878.85		**365.79**	
	From other parties							
	i) Loans from OIDB	A		**443.88**	332.55	**87.50**		12.50
	Total (Term Loans)			**443.88**	1211.40		**87.50**	15.84
	Total Secured Loans			**443.88**	1,211.40		**453.29**	15.84
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 (2020: 11450)	C	**1145.00**		1145.00	**6.26**		6.64

Sl. No	Particulars	Note	Non-current		Current Maturities	
			31-Mar-21	31-Mar-20	**31-Mar-21**	31-Mar-20
	8100 Nos. of 5.78% Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - I-2021 (2020: Nil)		**810.00**	-	**33.09**	-
	Total (Term Loans)		**1955.00**	1145.00	**39.35**	6.64
2	**Loans from related parties:**	D				
	50,00,00,000 (2020: 50,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each		**605.76**	572.51	**-**	-
3	**Lease obligations**	E	**13.31**	11.36	**5.68**	2.61
	Total Unsecured Loans		**2574.07**	1728.87	**45.03**	9.25
	TOTAL LONG-TERM BORROWINGS		**3017.95**	2940.27	**498.32**	25.09

A. Secured Rupee Term Loans:

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Repayment	Security Details
1	Term Loan from Oil Industry Development Board - ₹ 50 Crore	18-03-19	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
2	Term Loan from Oil Industry Development Board - ₹ 50 Crore	17-05-19	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
3	Term Loan from Oil Industry Development Board - ₹ 150 Crore	30-10-19	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
4	Term Loan from Oil Industry Development Board - ₹ 100 Crore	31-03-20	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

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Repayment	Security Details
5	Term Loan from Oil Industry Development Board - ₹ 100 Crore	30-06-20	5.68%	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
6	Term Loan from Oil Industry Development Board - ₹ 100 Crore	26-03-21	Floating rate based on month end (semi-annualised) interest rates for 5 year G-Sec as per FIMMDA plus 50% of margins of AAA rated Bonds over G-Sec as quoted in INCORP (quote AAA INBMK) reset on a quarterly basis.	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
7	Term Loan from State Bank of India - ₹ 500 Crore	07-01-19	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.

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	13-12-18	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	28-02-20	6.43%	Principal repayable at the end of 3 years from date of availment. Interest payable Annually
2	Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series -I-2021	17-07-20	5.78%	Principal repayable at the end of 5 years from date of availment. Interest payable Annually

D. **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.

(a) Such shares shall confer on the holders thereof, the right to preferential dividend from the date of allotment i.e., 24.09.2015

(b) Such shares shall rank for capital and dividend (including all dividend undeclared upto the commencement of winding up) and for repayment of capital in a winding up, pari passu inter se and in priority to the Ordinary Shares of the Company, but shall not confer any further or other right to participate either in profits or assets.

(c) The holders of such shares shall have the right to receive all notices of general meetings of the Company and have a right to vote only on resolution placed before the share holders which directly affect their rights attached to preference shares like winding up of company or repayment of preference shares etc.

(d) The tenure of the NCCRP Shares would be 10 years, with put and call option. Either the preference shareholder shall have right to exercise Put option or the Issuer shall have right to exercise Call option to redeem the preference shares, in whole or in part after the 5 years of the preference issue date. However, it is also agreed that Put & Call option before the 5 year period can be exercised by mutual consent of both the parties by giving 30 days notice.

(e) Dividend rate shall be equivalent to the Post tax yield of AAA rated corporate bond i.e. prevailing (at the time of issue) 10 year G-Sec yield plus spread on AAA rated corporate bond i.e., 6.65% p.a (reckoned for the FY 2015-16). The coupon rate on preference share would be adjusted to reflect the subsequent changes in tax laws with the consent and approval of preference share holders by way of special resolution. Currently, the Effective interest rate inclusive of dividend distribution tax is 8.00%

(ii) Non-convertible cumulative redeemable preference shares to the extent of ₹ 500 Crore, out of ₹ 1000 crore was redeemed on 06.06.2018.

(iii) **Preference Shares held by Holding Company** **₹ in Crore**

Particulars	31-Mar-21	31-Mar-20
50,00,00,000 (2020 : 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	31-Mar-21		31-Mar-20	
	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

E. **Lease obligations**

Lease obligations are against assets acquired under operating leases. The Carrying value of the assets is ₹ 17.15 crore (2020: ₹ 12.96 crore)

Note – 16 : OTHER FINANCIAL LIABILITIES

₹ in Crore

Sl. No	Particulars	Note	Non-current		Current	
			31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
1	Current maturities of Long term debt		-	-	498.32	25.09
2	Liability for Capital Expenditure	A	-	-	434.46	387.71
3	Liability to Trusts and Other Funds		-	-	43.80	64.11
4	Employee Liabilities for Expenses		-	-	107.55	141.24
5	Security Deposits	B	6.72	6.84	35.45	47.58
6	Liability for Unpaid Dividend	C	-	-	3.68	3.68
7	Other Financial Liabilities		-	-	1.72	1.03
	TOTAL		**6.72**	**6.84**	**1124.98**	670.44

Notes :

A Includes dues Payable to Indian Oil Corporation Limited ₹ 4.31 Crore (2020: ₹ 4.58 Crore) and Indian Oiltanking Limited (formerly known as IOT Infrastructure & Energy Services Limited) ₹ 4.76 Crore (2020: ₹ 4.76 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

Sl. No	Particulars	Note	Non-current		Current	
			31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
1	Provision for Employee Benefits		109.47	100.63	22.56	17.13
2	Contingencies for probable obligations	A	-	-	24.50	24.39
	TOTAL		**109.47**	100.63	**47.06**	41.52

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	0.11	-	-	11.16
Income Tax	13.34	-	-	-	13.34
TOTAL	**24.39**	**0.11**	**-**	**-**	**24.50**
Previous Year	86.14	13.34	-	75.09	24.39

Note – 18 : OTHER LIABILITIES

₹ in Crore

Sl. No	Particulars	Note	Non-current		Current	
			31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
1	Deferred Income	A	7.73	8.02	0.30	0.30
2	Government Grants					
	Liability towards Government Grants (Refer Note - 40)		7.26	5.62	1.69	1.10
3	Statutory Liabilities		-	-	628.88	397.69
4	Advances from Customers		-	-	25.60	16.87
	TOTAL		**14.99**	13.64	**656.47**	415.96

Note :

A Pertains to Indian Oil Corporation Ltd., the holding company

Note – 19 : BORROWINGS - CURRENT

₹ in Crore

(At Amortised Cost)

Sl. No	Particulars	Note		31-Mar-21	31-Mar-20
I.	**SECURED LOANS**				
1	**Loans Repayable on Demand**				
	From Banks:				
	a) In Rupees				
	i) Working Capital Demand Loan		-		1002.53
	ii) Cash Credit		-		0.44
	Sub-Total			-	1002.97
2	**Other Loans**				
	From Banks:				
	i) Commercial Paper - SBI		2011.42		1493.38
	Sub-Total			**2011.42**	1493.38
	Total Secured Loans	A		**2011.42**	2496.35
II.	**UNSECURED LOANS**				
1	**Loans Repayable on Demand**				
	From Banks/Financial Institutions:				
	In Rupees				
	Working Capital Demand Loan		155.02		1718.35
	Sub-Total			**155.02**	1718.35
2	**Other Loans**				
	From Banks/Financial Institutions:				
	In Rupees				
	Commercial Paper			**3484.25**	1517.98
	Total Unsecured Loans			**3639.27**	**3236.33**
	TOTAL BORROWINGS - CURRENT			**5650.69**	5732.68

Notes:

A Secured against hypothecation of Trade receivables & Inventories to the extent of ₹ 3184 Crore with State Bank of India. (2020: ₹ 3184 Crore)

As at 31 March 2021 the Company had available ₹ 1147.75 Crore (2020: ₹ 669.43 Crore) of undrawn Credit facilities.

Note – 20 : TRADE PAYABLES

₹ in Crore

Particulars	Note	31-Mar-21	31-Mar-20
Dues to Micro and Small Enterprises	A	**9.38**	0.56
Dues to Related Parties	B	**1077.29**	1077.01
Dues to Others		**795.31**	477.10
TOTAL	C	**1881.98**	1554.67

Notes :

		31-Mar-21	31-Mar-20
A	Details relating to Micro and Small Enterprises is as follows:		
	Particulars	**31-Mar-21**	31-Mar-20
	(a) the principal amount	9.38	0.56
	(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;	-	-
	(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		31-Mar-21	31-Mar-20
1	Sale of Products and Crude (including Excise Duty)		41869.29		48754.55
	Less: Discounts		55.34		130.31
	Sales (Net of Discounts)	A	41813.95		48624.24
2	Other Operating Revenues (Note "21.1")		85.12		82.08
				41899.07	48706.32
	TOTAL	**B**		**41899.07**	48706.32

Notes :			
A	Breakup of Gross revenue and Excise Duty on sales		
	Particulars	**31-Mar-21**	31-Mar-20
	Revenue (gross)	41813.95	48624.24
	Less: Excise Duty	19302.68	11380.55
	Net Revenue	**22511.27**	**37243.69**
B	Refer Note-42 Revenue from contracts with customers		

Note – 21.1 : OTHER OPERATING REVENUES

₹ in Crore

Sl. No	Particulars	Note	31-Mar-21	31-Mar-20
1	Sale of Power		**1.91**	0.96
2	Unclaimed / Unspent liabilities written back		**0.11**	3.34
3	Provision for Doubtful Debts, Advances, Claims, and Stores written back.		**1.10**	2.38
4	Recoveries from Employees		**1.47**	2.48
5	Sale of Scrap		**6.99**	11.71
6	Amortisation of Government Grants related to OIDB loan		**1.31**	0.47
7	Revenue Grants		**1.68**	3.10
8	Terminalling Charges		**1.67**	2.95
9	Other Miscellaneous Income	**A**	**68.88**	54.69
	TOTAL		**85.12**	82.08

Note – 22 : OTHER INCOME

₹ in Crore

Sl. No	Particulars	Note		31-Mar-21	31-Mar-20
1	Interest on :				
	Financial Item:				
	a) Loans and Advances		6.03		6.47
	b) Deposits		0.56		0.87
	c) Customers Outstanding		0.02		6.45
	d) Others		7.79		4.22
				14.40	18.01
2	Dividend from Related Parties	A		**5.92**	5.92
3	Exchange Fluctuations (Net)			**86.46**	-
4	Other Non Operating Income			**0.10**	0.20
	TOTAL			**106.88**	24.13

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

	31-Mar-21	31-Mar-20
In relation to financial assets measured at amortised cost	**14.40**	18.01

Note – 23 : COST OF MATERIALS CONSUMED

₹ in Crore

Particulars	Note	31-Mar-21	31-Mar-20
Raw Material Consumed :			
Opening Balance		**747.31**	2276.56
Add :			
Purchases		**21086.05**	34264.09
Sub Total		**21833.36**	36540.65
Less: Closing Stock		**1968.68**	747.31
TOTAL (Net)		**19864.68**	35793.34

Note – 24 : CHANGES IN INVENTORY

₹ in Crore

Particulars		31-Mar-21	31-Mar-20
Closing Stock			
a) Finished Products	1935.27		1061.74
b) Stock in Process	299.96		281.43
		2235.23	1343.17
Less:			
Opening Stock			
a) Finished Products	1061.74		1700.32
b) Stock in Process	281.43		633.26
		1343.17	2333.58
NET INCREASE/(DECREASE)		**892.06**	(990.41)

Note – 25 : EMPLOYEE BENEFIT EXPENSE

₹ in Crore

Particulars	31-Mar-21	31-Mar-20
Employee Benefit Expense:		
(a) Salaries, Wages, Bonus etc	**435.76**	380.96
(b) Contribution to Provident & Other Funds	**73.64**	57.33
(c) Staff Welfare Expenses	**55.11**	69.54
TOTAL	**564.51**	507.83

Notes :

A Disclosure in compliance with Ind AS - 19 on “Employee Benefits” is given in Note - 32

B Above excludes ₹ 24.94 Crore (2020: ₹ 27.33 Crore) included in capital work in progress (Note - 2.2)

Note – 26 : FINANCE COSTS

₹ in Crore

Sl. No		Particulars	Note		31-Mar-21	31-Mar-20
1		**Interest Payments on Financial items:**	(i)			
	I	**Working Capital Loans**				
		Short term Borrowings		227.69		314.27
		Other Loans				
		Debentures/Long Term Loan	A	108.86		35.16
					336.55	349.43
	II	Unwinding of Finance cost on Lease obligations			**1.90**	1.72
	III	Interest expense for Preference Shares treated as financial liabilities	B		**33.25**	33.25
2		**Interest Payments on Non Financial items**			**0.80**	0.30
3		**Other Borrowing Cost**			**2.54**	1.76
4		**Exchange differences regarded as adjustment to borrowing cost**	A		**-**	26.79
		TOTAL			**375.04**	413.25

Notes :

A Net of interest capitalised as part of CWIP	**47.04**	**48.28**
B Refer Note-15 D (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

	31-Mar-21	31-Mar-20
In relation to financial liabilities measured at amortised cost	**371.70**	384.40

Note – 27 : OTHER EXPENSES

₹ in Crore

Sl. No	Particulars		31-Mar-21	31-Mar-20
1	Consumption:			
	a) Stores, Spares and Consumables	77.81		89.61
	b) Packages & Drum Sheets	0.85		1.15
			78.66	90.76
2	Power & Fuel	1552.22		2750.54
	Less : Fuel from own production	1494.25		2680.77
			57.97	69.77
3	Irrecoverable taxes - Central Sales Tax		**222.34**	199.46
4	Repairs and Maintenance			
	i) Plant & Machinery	162.73		243.02
	ii) Buildings	0.70		2.48
	iii) Others	46.44		42.76
			209.87	288.26
5	Freight, Transportation Charges and Demurrage		**112.05**	28.15
6	Office Administration, Selling and Other Expenses (Note "27.1")		**175.37**	414.07
	TOTAL		**856.26**	1090.47
	Less: Company's use of own Products		**0.65**	1.39
	TOTAL (Net)		**855.61**	1089.08

Note – 27.1 : OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES

₹ in Crore

Sl. No	Particulars	Note		31-Mar-21	31-Mar-20
1	Rent			**8.34**	11.01
2	Insurance			**23.71**	18.88
3	Rates & Taxes			**1.92**	2.03
4	Payment to auditors :				
	a) For Statutory Audit		0.29		0.24
	b) For Limited Review		0.12		0.12
	c) For Taxation Matters		0.07		0.06
	d) Other Services(for issuing other certificates etc.)		0.03		0.03
				0.51	0.45
5	Travelling & Conveyance			**14.94**	25.16
6	Communication Expenses			**1.95**	2.15
7	Printing & Stationery			**1.21**	1.38
8	Electricity & Water			**0.78**	1.28
9	Bank Charges			**1.43**	1.61
10	Provision / Loss on Assets sold or written off (Net)			**51.34**	12.08
11	Technical Assistance Fees			**5.17**	9.02
12	Exchange Fluctuation (Net)			**-**	239.22

Sl. No	Particulars	Note	31-Mar-21	31-Mar-20
13	Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores		**1.05**	3.82
14	Security Force Expenses		**33.99**	35.97
15	Terminalling Charges		**8.96**	10.43
16	Provision for Probable Contingencies		**0.11**	-
17	Expenses on CSR Activities	Refer Note:39	**1.96**	16.72
18	Miscellaneous Expenses	A	**18.00**	22.86
	TOTAL		**175.37**	414.07

Note :

A Miscellaneous Expenses Includes:

i) Expenditure on Advertisement, Public Relations and Publicity amounting to ₹ 0.44 Crore (2020: ₹ 0.78 Crore). The ratio of annual expenditure on Advertisement,Public Relations and Publicity to the annual turnover (inclusive of excise duty) is 0.00001:1 (2020: 0.00002:1)

ii) Entertainment Expenses ₹ 0.2 Crore (2020: ₹ 0.39 Crore)

Note – 28 : OTHER COMPREHENSIVE INCOME

₹ in Crore

Sl. No	Particulars		31-Mar-21	31-Mar-20
A.	**Items that will not be reclassified to profit or loss:**			
1	Remeasurement of Defined Benefit Plans	(7.21)		(60.95)
			(7.21)	(60.95)
B.	**Income Tax relating to items that will not be reclassified to profit or loss:**			
1	Remeasurement of Defined Benefit Plans	1.94		21.30
			1.94	21.30
	TOTAL		**(5.27)**	(39.65)

Note – 29 : DISTRIBUTIONS MADE AND PROPOSED

₹ in Crore

Particulars	31-Mar-21	31-Mar-20
Cash dividends on Equity shares	-	-
	-	-

Note : Refer Note-15 D (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	31-Mar-21	31-Mar-20
Profit / (Loss) attributable to equity holders (₹ in Crore)	**237.56**	(2077.58)
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	**148911400**	148911400
Earning Per Share (Basic and Diluted) (₹)	**15.95**	(139.52)
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 31.03.2021	As at 31.03.2020
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 ₹ 21.1 Crore (2020: ₹ 22.95 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 ₹ 1.95 Crore (2020: ₹ 2.11 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 Fund maintained by the PF Trust in respect of which actuarial valuation is carried out and ` 4.34 Crore (2020 : Nil) has been provided by the company are current and future interest shortfall/losses beyond available surplus.

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.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 leave for each completed quarter of service. Encashment of earned leave 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 leave at the end of every six months. The Company has been adopting a practice of permitting encashment of the entire accumulation of sick leave 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 in earlier years to reconsider the matter. The matter has been dealt in 3rd PRC recommendations, which is effective January 1,2017 and CPSEs have been allowed to frame their own rules considering operational necessities and subject to conditions set therein. The net expenditure accounted towards encashment of sick leave for the year is ₹ 6.94 Crore (2020: ₹ 4.64 crore). The accumulated provision for towards encashment of sick leave is ₹ 32.51 Crore (2020: ₹ 29.98 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 ₹ 0.80 Crore (2020: ₹ 0.72 Crore). The accumulated provision in this regard is ₹ 11.54 Crore (2020: ₹ 12.59 Crore). The Company continues this practice keeping in view operational complications and service agreements. Our Holding company has represented to the concerned authorities in earlier years 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:

(i) Reconciliation of balance of Defined Benefit / Long Term Employee Benefit Obligations **₹ in Crore**

	Provident Funded	Gratuity Funded	PRMS Funded
Defined Obligation at the beginning	**596.00**	**154.79**	**236.68**
	544.95	*144.22*	*175.54*
Current Service Cost	**26.59**	**2.39**	**3.76**
	22.72	*1.60*	*3.82*
Interest Cost	**45.86**	**10.57**	**16.12**
	46.51	*11.09*	*13.66*
Past Service Cost	**-**	**16.83**	**-**
	-	*1.15*	-
Benefits paid	**(104.91)**	**(19.52)**	**(4.13)**
	(57.72)	*(12.89)*	*(4.14)*
Employee Contribution	**48.34**	**-**	**-**
	39.93	-	-
Transferred from other company	**(0.30)**	**-**	**-**
	(0.39)	-	-
Actuarial (gain)/ loss on obligations	**5.70**	**(1.10)**	**5.58**
	-	*9.62*	*47.80*
Defined Benefit Obligation at the end of the year	**617.28**	**163.96**	**258.00**
	596.00	*154.79*	*236.68*

(ii) Reconciliation of balance of Fair Value of Plan Assets (₹ in Crore)

	Provident Funded	Gratuity Funded	PRMS Funded
Fair Value of Plan Assets at the beginning of the year	**599.11**	**132.89**	**195.01**
	556.86	*138.65*	-
Expected return on plan assets (Interest Income)	**45.86**	**9.08**	**13.28**
	46.51	*10.66*	-
Contribution by employer	**26.59**	**14.28**	**41.68**
	22.72	-	*194.97*
Contribution by employees	**48.34**	**-**	**-**
	39.93	-	*0.04*
Benefit paid	**(104.91)**	**(19.52)**	**-**
	(57.72)	*(12.89)*	-
Transferred from other company	**(0.30)**	**-**	**-**
	(0.39)	-	-
Actuarial gain / (losses)(Return on Plan Assets excl interest income)	**(1.76)**	**0.80**	**(3.52)**
	(8.80)	*(3.53)*	-
Fair value of plan assets at the end of the year	**612.93**	**137.53**	**246.45**
	599.11	*132.89*	*195.01*

(iii) Reconciliation of Fair Value of Plan Assets and Defined Benefit Obligation (₹ in Crore)

	Provident Funded	Gratuity Funded	PRMS Funded
Fair Value of Plan Assets at the end of the year	**612.93**	**137.53**	**246.45**
	599.11	*132.89*	*195.01*
Defined Benefit Obligation at the end of the year	**617.28**	**163.96**	**258.00**
	596.00	*154.79*	*236.68*
Liability recognised in the Balance Sheet	**4.35**	**26.43**	**11.55**
	-	*21.90*	*41.67*
Amount not recognised in the Balance Sheet	**-**	**-**	**-**
	(3.11)	-	-

(iv) Amount recognised in Statement of Profit and Loss / CWIP (₹ in Crore)

	Provident Funded	Gratuity Funded	PRMS Funded
Current Service Cost	**26.59**	**2.39**	**3.76**
	22.72	*1.60*	*3.82*
Interest Cost	**45.86**	**1.49**	**16.12**
	46.51	*0.43*	*13.66*
Expected (return) / loss on plan asset	**(45.86)**	**-**	**(13.28)**
	(46.51)	-	**-**
Contribution by Employees	**-**	**-**	**-**
	-	**-**	**(0.04)**
Past Service Cost	**-**	**16.83**	**-**
	-	**1.15**	**-**
Expenses for the year	**26.59**	**20.71**	**6.60**
	22.72	*3.18*	*17.44*

(v) Amount recognised in Other Comprehensive Income (OCI) **(₹ in Crore)**

	Provident Funded	Gratuity Funded	PRMS Funded
Actuarial (gain)/ loss on Obligations	**5.70**	**(1.10)**	**5.58**
	-	*9.62*	*47.80*
Remeasurement (Return on Plan Assets excl interest income)	**(1.76)**	**(0.80)**	**3.52**
	(8.80)	*3.53*	*-*
Net Loss / (Gain) recognized in OCI	**-**	**(1.90)**	**9.10**
	-	*13.15*	*47.80*
Net Loss / (Gain) not recognized in P&L / OCI	**7.46**	**-**	**-**
	8.80	*-*	*-*

(vi) Major Actuarial Assumptions

	Provident Funded	Gratuity Funded	PRMS Funded
Discount rate	**6.85%**	**6.85%**	**6.91%**
	6.83%	*6.83%*	*6.81%*
Guaranteed return on plan assets	**8.50%**	**-**	**-**
	8.50%	*-*	*-*
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 Funded
Change in Discounting Rate		
Increase by 0.5%	**(4.97)**	**(20.75)**
	(4.20)	*(24.79)*
Decrease by 0.5%	**5.36**	**23.77**
	4.48	*15.42*
Change in Employee Turnover		
Increase by 0.5%	**0.35**	**0.28**
	1.05	*0.22*
Decrease by 0.5%	**(0.36)**	**(0.30)**
	(2.23)	*(0.24)*
Change in Salary Escalation/ Inflation rate		
Increase by 0.5%	**4.02**	**23.77**
	1.02	*15.40*
Decrease by 0.5%	**(3.69)**	**(20.95)**
	(1.05)	*(24.95)*

(viii) Investment details:

	Provident Funded	Gratuity Funded	PRMS Funded
Investment with Insurer	**-**	**100.00%**	**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 Funded	Gratuity Funded	PRMS Funded
Government securities (Central & State)	**42.33%**	**75.11%**	**79.55%**
	41.86%	*74.84%*	*84.94%*
Investment in Equity / Mutual Funds	**7.26%**	**9.07%**	**5.85%**
	6.02%	*5.95%*	*4.33%*
Investment in Debentures / Securities	**44.21%**	**14.80%**	**13.27%**
	46.19%	*17.85%*	*10.30%*
Other approved investments (incl. Cash)	**6.20%**	**1.03%**	**1.33%**
	5.92%	*1.36%*	*0.43%*

(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	**24.44**	**6.50**	**30.95**
	23.46	*6.04*	*29.50*
Between 2 to 5 Years	**63.02**	**34.85**	**97.87**
	69.11	*32.68*	*101.79*
Between 6 to 10 Years	**74.90**	**64.17**	**139.07**
	65.67	*60.68*	*126.35*
	Gratuity Funded	PRMS Funded	
Weighted Average Duration of Defined Benefit Obligation	**8 Years**	**16 Years**	
	7 Years	*16 Years*	

Note – 33 : COMMITMENTS AND CONTINGENCIES

A Leases

(a) As lessee

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	31-03-21	31-03-20
Depreciation recognized	5.64	3.84
Interest on lease liabilities	1.48	1.34
Expenses relating to short-term leases (leases more than 30 days but less than 12 months)	3.13	1.00
Variable lease payments not included in the measurement of lease liabilities	4.25	1.87
Total cash outflow for leases	14.15	7.03
Additions to ROU during the year	9.83	16.80
Net Carrying Amount of ROU at the end the year	17.15	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 :-

Current Year : **(₹ in Crore)**

Asset Class	Items Added to RoU Asset as on 01.04.2020	Additions to RoU Asset during the Year	Depreciation Recognized During the Year	Net Carrying value as on 31.03.2021
Leasehold Land	9.94	-	1.52	8.42
Buildings Roads etc.	0.35	-	0.02	0.33
Plant & Equipment	-	2.22	1.11	1.11
Transport Equipments	2.67	7.61	2.99	7.29
Total	**12.96**	**9.83**	**5.64**	**17.15**

Previous Year : **(₹ 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.

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.

(b) **As lessor**

(i) **Operating Lease**

The lease rentals recognized as income in these statements as per the rentals stated in the respective agreements:

(₹ in Crore)

Particulars	**31-03-21**	**31-03-20**
A. Lease rentals recognized during the period	30.06	30.29
B. Value of assets given on lease included in tangible assets		
- Gross Carrying Amount	9.63	17.68
- Accumulated Depreciation	1.13	2.29
- Depreciation recognized in the Statement of Profit and Loss	0.19	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)

	31-03-21	**31-03-20**
Less than one year	15.27	13.84
One to two years	14.38	13.63
Two to three year	15.11	14.34
Three to four years	15.89	15.08
Four to five years	16.70	15.85
More than five years	729.75	746.42
Total	807.10	819.16

B **Contingent Liabilities**

Contingent Liabilities amounting to ₹444.66 Crore (2020: ₹581.57 Crore) are as under:

(i) ₹ 26.61 Crore (2020: ₹ 23.13 Crore) being the demands raised by the Central Excise / Customs / Service Tax Authorities including interest of ₹ 11.00 Crore (2020: ₹ 9.3 Crore).

(ii) ₹ 381.26 Crore (2020: ₹ 527.71 Crore) being the demands raised by the VAT/ Sales Tax Authorities and includes no interest (2020: Nil).

(iii) ₹ 28.93 Crore (2020: ₹ 23.56 Crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹ 7.77 Crore (2020: ₹ 7.6 Crore).

(iv) ₹ 7.86 Crore (2020: ₹ 7.16 Crore) in respect of other claims including interest of ₹ 1.17 Crore (2020: ₹ 1.19 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 ₹ 424.07 Crore (2020: ₹ 752.73 Crore).

(ii) **Other Commitments**

The Company has an export obligation to the extent of ₹ 147.02 Crore (2020: ₹ 33.3 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	31-Mar-2021	31-Mar-2020
● Sale of Product and Services	39814.53	45180.87
● Dividend on Preference Shares	33.25	33.25
● Sale of Scrap / Catalyst	-	0.11
● EDP Maintenance	3.08	3.20
● Other Operating Income	31.82	35.58
● Purchase of Raw Material	681.13	105.81
● Purchase of Stock-in-Trade	39.94	268.10
● Purchase of Stores & Spares	4.94	11.64
● Payment towards License fee	9.81	-
● Canalising commission	6.00	2.50
● Vessel hiring charges	20.44	-
● Terminalling Charges	2.90	6.75
● Rental Expenditure	4.90	1.73
● Training Expenses	-	0.24
● Other Miscellaneous Expenditure	-	0.16
● Security Expenses	0.01	-
● Purchase of RLNG	745.83	682.45
● Finance Cost - Unwinding of finance cost	0.40	0.37
● Capital Advances / (Liabilities)	(4.31)	(4.58)
● Revenue Advances	0.13	-
● Outstanding Receivables	114.56	63.85
● Other Liabilities - Land given on lease	14.74	15.15
● Other Non - current Assets - Land given on lease	30.24	15.44
● Outstanding payables		
Trade Payables	1077.29	1077.01
Preference Shares (at face value)	500.00	500.00

B. Details of Joint Ventures

i) Indian Additives Limited **(₹ in Crore)**

Particulars	31-Mar-2021	31-Mar-2020
● Investment	11.83	11.83
● Sale of Product	11.00	33.67
● Rental income	0.14	0.60
● Dividend received	5.92	5.92
● Sale of Water	-	0.01
● Outstanding Receivables	0.76	3.48

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

Particulars	31-Mar-2021	31-Mar-2020
● Investments in Joint Venture Entities/ Associates	0.03	0.03
● Claims recoverable	22.66	22.66

The Investment & claims recoverable has been fully impaired (Note - 4)

C. Entities Over which KMP has significant influence

i) CPCL Educational Trust (₹ in Crore)

Particulars	31-Mar-2021	31-Mar-2020
● CSR Expenses	0.30	0.50
● Miscellaneous Expenses	-	0.01

D. Associates of Holding Company (₹ in Crore)

i) Indian Oiltanking Limited (formerly known as IOT Infrastructure & Energy Services Limited)

Particulars	31-Mar-2021	31-Mar-2020
● Outstanding payable	4.76	4.76

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 (Upto 31.01.2021)	1) Shri Sanjiv Singh (Non - Executive Chairman) (Upto 30.06.2020)
2) Shri Rajeev Ailawadi	2) Shri S M Vaidya (Non - Executive Chairman) (w.e.f 01.07.2020)
3) Shri R.Srikanthan (Upto 30.09.2020)	3) Shri Mrutunjay Sahoo (Upto 31.01.2020)
4) Shri. S.Krishnan (w.e.f. 01.03.2020)	4) Dr.P.B.Lohiya (Upto 31.01.2020)
5) Shri G.Aravindan (Upto 28.02.2020)	5) Smt Perin Devi (Upto 23.11.2020)
6) Shri H. Shankar (w.e.f. 01.10.2020)	6) Shri B V Rama Gopal (Upto 31.07.2019)
7) Shri P.Shankar	7) Shri D. Durai Ganesan
	8) Smt. Sobha Surendran (w.e.f. 31.10.2019)
	9) Shri Mohammad Bagher Dakhili
	10) Shri Babak Bagherpour
	11) Shri M Narayana Rao (w.e.f 29.07.2019)
	12) Shri Amitabh Mathur (w.e.f 29.07.2019)
	13) Shri Manoj Sharma (w.e.f 24.07.2020)
	14) Shri Sukh Ram Meena (w.e.f. 28.12.2020)

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

For the Year ended 31-Mar-2021 **(₹ 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	0.28	0.08	0.36	-	0.72	-	-
2) Shri Rajeev Ailawadi	0.42	0.09	0.06	-	0.57	-	-
3) Shri R.Srikanthan	0.22	0.04	0.44	-	0.71	-	-
4) Shri S.Krishnan	0.46	0.10	-	-	0.56	-	0.02
5) Shri H.Shankar	0.18	0.04	0.02	-	0.24	-	0.22
6) Shri P.Shankar	0.41	0.09	-	-	0.50	-	0.08
B. Independent / Government Nominee Directors#							
1)Shri. D.Durai Ganesan	-	-	-	-	-	0.05	-
2) Shri. Amitabh Mathur						0.05	
3) Shri. Myneni Narayana Rao						0.04	
4) Smt. Sobha Surendran						0.03	
TOTAL	**1.97**	**0.44**	**0.87**	-	**3.29**	**0.17**	**0.32**

Sitting fees paid to Independent Directors

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**

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	31-Mar-2021		31-Mar-2020	
			Contribution by Employer	Outstanding Payable	Contribution by Employer	Outstanding Payable
A	CPCL Employees Provident Fund	Provident Fund	28.25	2.00	22.74	0.55
B	CPCL Employees Superannuation Benefit Fund	Pension Scheme	11.05	-	22.71	-
C	CPCL Employees Group Gratuity Trust	Gratuity	14.28	26.43	0.30	21.90
D	Post Retirement Medical Benefit Trust	PRMB	41.68	11.55	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-2021	As at 31-Mar-2020	As at 31-Mar-2021	As at 31-Mar-2020	
Financial Assets					
Amortised Cost:					
Loans to employees	**64.61**	63.27	**55.37**	58.58	Level 2
Total	**64.61**	63.27	**55.37**	58.58	
Financial liabilities					
A. Borrowings (Non-Current):					
Amortised Cost:					
Non-Convertible Redeemable Debentures	**1955.00**	1145.00	**1941.08**	1148.17	Level 2
Lease obligation	**18.99**	13.97	**19.56**	14.48	Level 2
Preference Shares	**605.76**	572.51	**600.00**	555.63	Level 2
Term Loans from Oil Industry Development Board (OIDB)	**531.38**	345.05	**536.50**	355.32	Level 2
Total	**3111.13**	2076.53	**3097.14**	2073.60	

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 2020-21 was reviewed by the Risk Management Committee, Audit Committee and Board of Directors at their meetings held on 28.04.2021.

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 analysis in the following sections relate to the position as at 31 March 2021 and 31 March 2020

The analysis 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 analysis:

- 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 2021 and 31 March 2020 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 2021.

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 2021, approximately 87% of the Company's Long term borrowings are at fixed rate of interest (31 March 2020: 63%).

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	Increase / Decrease in basis points	Effect on profit before tax
		(₹ in Crore)		(₹ in Crore)
	31-Mar-2021		31-Mar-2020	
INR	+50	(0.49)	+50	(2.50)
US Dollar	+50	(1.83)	+50	(1.89)
INR	-50	0.49	-50	2.50
US Dollar	-50	1.83	-50	1.89

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	Effect on profit before tax	Increase / Decrease	Effect on profit before tax
	in %	(₹ in Crore)	in %	(₹ in Crore)
	31-Mar-2021		31-Mar-2020	
US Dollar	+5%	(127.28)	+5%	(90.51)
	-5%	127.28	-5%	90.51

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, inventory 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 2021 and 31 March 2020 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-2021						
Borrowings(including lease obligations)	155.02	5509.66	484.33	3017.95	-	9166.96
Trade payables	248.16	1633.82	-	-	-	1881.98
Other financial liabilities	558.38	-	-	-	-	558.38
	961.56	**7143.48**	**484.33**	**3017.95**	**-**	**11607.32**
Year ended						
31-Mar-2020						
Borrowings	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**

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 Debt-Equity ratio has been impacted due to the lower product cracks arising out of the CoVID-19 situation. Need for capital infusion, would be reasssed based on the turnaround of the situation.

(₹ in Crore)

Particulars	**31-Mar-21**	31-Mar-20
Borrowings	9166.96	8698.04
Total Borrowings	**9166.96**	**8698.04**
Equity Share Capital	148.91	148.91
Reserves and Surplus	1275.66	1043.37
Equity	**1424.57**	**1192.28**
Debt Equity Ratio	**6.43 : 1**	**7.3 : 1**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2021 and 31st March 2020

Note – 38 : RESEARCH AND DEVELOPMENT COSTS

Research and Development Expenses of ₹ 0.62 Crore(2020: ₹ 0.32 Crore) of capital expenditure incurred and ₹ 5.64 Crore (2020 ₹ 4.49 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 2020	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at 31st Mar 2021	Work-in-Progress as at 1 Apr 2020	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31st Mar 2021	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	16.40	0.62	-	-	**17.02**	-	-	-	-	**0.62**
Office Equipment	0.30	-	-	-	**0.30**	-	-	-	-	-
Furniture & Fixtures	0.28	-	-	-	**0.28**	-	-	-	-	-
Total	**16.98**	**0.62**	-	-	**17.60**	-	-	-	-	**0.62**

B. RECURRING EXPENSES

₹ in Crore

Sl. No	Particulars	31-Mar-21	31-Mar-20
1	Consumption of Stores, Spares & Consumables	0.25	0.47
2	Repairs & Maintenance		
	(a) Plant & Equipment	0.24	0.23
3	Payment to and Provisions for employees	4.67	3.31
4	Other Expenses	0.48	0.48
	Total	**5.64**	**4.49**

C. TOTAL RESEARCH EXPENSES

₹ in Crore

Particulars	31-Mar-21	31-Mar-20
Capital Expenditure	0.62	0.32
Recurring Expenditure	5.64	4.49
Total	**6.26**	**4.81**

Note – 39 : DISCLOSURE RELATING TO CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

(₹ in Crore)

Particulars	31-Mar-21	31-Mar-20
(a) Gross amount required to be spent by the company during the year.		
Annual CSR Allocation	-	16.72
Shortfall Carry forward from previous year	-	-
Gross amount required to be spent	**-**	**16.72**
Surplus carried forward to the Next year	1.96	-

(b) Amount spent during the year on: **(₹ in Crore)**

	31-Mar-21			31-Mar-20		
	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	0.61	-	0.61	2.06	-	2.06
Swachh Bharat	0.05	-	0.05	9.65	-	9.65
Education/employment vocational skills	1.27	-	1.27	2.86	-	2.86
Other expenses	0.03	-	0.03	2.15	-	2.15
Total Expenses (ii)	**1.96**	-	**1.96**	**16.72**	-	**16.72**
Grand Total (i) and (ii)	**1.96**	-	**1.96**	**16.72**	-	**16.72**

Note – 40 : DISCLOSURE ON GOVERNMENT GRANTS

A Revenue Grants

1 Stipend to apprentices under NATS scheme

The company has received grant of ₹ 0.09 Crore (2020: ₹ 0.97 crore) 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, 2021 is ₹ 2.29 Crore (2020: ₹ 1.67 Crore). The company recognised ₹ 1.68 Crore (2020: ₹ 2.72 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 ₹ Nil (2020: ₹ 0.38 crore) 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 ₹ 0.09 crore (2020: ₹ 0.47 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, 2021 is ₹ 6.66 crore (2020:₹ 5.05 crore). During the year, the company has recognised ₹ 1.31 crore (2020: ₹ 0.47 crore) 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 outstanding forward contract as at 31st March 2021(2020 : NIL)

3 Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2021 is given below:

₹ in Crore

S. No	Particulars	As on 31-Mar-2021	As on 31-Mar-2020
		Aggregate amount	Aggregate amount
1	Unhedged- Payables	**2694.40**	1866.60
2	Unhedged- Receivables	**148.90**	56.31

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

	2020-21	2019-20
Total Revenue	41856.90	48696.93
Revenue from contract with customers	41813.95	48624.24
Revenue from other contracts / from others	42.95	72.69

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 is not 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 ₹ 1.59 Crore (2020: ₹ 54.42 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 31.03.2021 - ₹ 123.06 Crore (2020: ₹ 121.47 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 During the year, 9 MMTPA refinery project at Cauvery Basin Refinery,Nagapattinam has been approved by the Board of Directors of IndianoilCorporation, the holding company. The approval is accorded for implementationof the project through a separate Joint Venture, subject to the approval by NITI Aayog/DIPAM for the Joint Venture. The company has made application to the NITI Aayog/DIPAM through the Ministry of Petroleum and Natural Gas forthe approval of the Joint Venture. The companycontinues to disclose pre-project feasibility study expenditure of ₹ 55.13 crore (2020: ₹ 49.66 crore) under Capital Work in progress and ₹ 241.80 crore (2020: ₹ 222.29 crore) under Intangibles under development, pending receipt of approval. On receipt of approval for JV, the capital expenditure will be suitably accounted as Investments / Other Current Assets.

3 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.

4 (a) The cost of land includes provisional payments towards cost, compensation, and other accounts for which detailed accounts are yet to be received from the authorities concerned.

(b) 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.

5 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. Claim received during the year amounting to ₹ 33.41 crore settled during the year is included in other operating revenues.

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 during the year 2018-19. Claim received during the year amounting to ₹ 3.09 Crore (2020: ₹ 11.95 Crore) is included in other operating revenues.

6 During the previous 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.

7 The company operates only in a single segment viz. downstream petroleum sector. As such reporting is done on a single segment basis.

8 Covid-19 related impact: The demand for fuel products was lower during the first half year due to COVID related lock downs, resulting in lower crude thruput. The capacity utilization gradually improved subsequently.

Management has assessed the potential impact of COVID 19 based on the current circumstances and expects that there will be no significant impact on the continuity of operations of the Corporation, on useful life of the assets, on financial position etc. on a long term basis.

9 There are no other significant subsequent events that require adjustments or disclosures in the financial statements as at balance sheet date, other than those disclosed above.

10 Previous year's comparative figures have been regrouped, reclassified and recast wherever necessary.

for and on behalf of Board of Directors

(Rajeev Ailawadi)	**(S. Krishnan)**	**(P.Shankar)**
Director (Finance) & Managing Director i/c	**Director (Operations)**	**Company Secretary**
DIN - 07826722	**DIN - 08691391**	**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 : 21022201AAAADT9971

For SREEDHAR SURESH & RAJAGOPALAN LLP
Chartered Accountants
(FRN: 003957S / S200145)

K. Sreedhar
Partner
Membership No. 024314
UDIN : 21024314AAAAAL5537

Place : Chennai
Date : 28-Apr-2021

INDEPENDENT AUDITORS' REPORT

To the Members of Chennai Petroleum Corporation Limited, Chennai

Report on the Audit of the 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, 2021, 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 and other explanatory information (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 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, 2021, of consolidated profit including other comprehensive income, 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 ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note no.43.2 of the consolidated financial statements, which discloses the treatment on capital expenditure incurred on 9 MMTPA project pending approval for the proposed Joint venture by NITI Aayog/ DIPAM of the company. Our opinion is not modified in respect of this matter.

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	HOW IT WAS ADDRESSED DURING AUDIT
Capitalisation of Property Plant & Equipment	
a) Capitalisation of a project generally encompasses several work orders and in some cases capitalisation is done in parts for individual components which may achieve closure at different points of time. In addition, it may involve determination of an useful life which is different from the standard useful life prescribed under the Companies Act, 2013 for the purposes of Depreciation. b) Capitalisation also involves identifying relevant direct, indirect costs and borrowing costs.	The audit comprised of the following procedures a) Understanding the process of initiating, approving and issue of purchase/work orders b) Process followed in grouping the purchase/work orders for each project/asset/component c) Method followed in identifying direct, indirect costs and borrowing costs for capitalisation d) Procedure for determining date of capitalisation and useful life of the project/asset/component

KEY AUDIT MATTER 1	HOW IT WAS ADDRESSED DURING AUDIT
c) Also, an asset/component/project may not be accurately capitalised initially since the final invoices are not received for a long period of time after the assets are ready for use. In such cases the asset/component/project is capitalised at provisional values and put to use and revised in subsequently periods based on final invoices thereby requiring changes in depreciation and carrying values. d) The company has several ongoing asset purchases/ projects spread over more than one financial year. This requires close monitoring of year-wise movements in cost of asset, direct and indirect costs and eventual capitalisation Determination of the timing of capitalisation, the useful life of asset, ensuring that the accurate amount is capitalised or carried forward (in case of incomplete asset/ component/ project) and compliance with Indian accounting standards poses significant audit risk. Hence, it is considered as a key audit matter	e) Procedure for recalculation of depreciation in case of changes in values already capitalised. f) Performed detailed testing of project/ asset/ component capitalised during the year and changes in values already capitalised. g) Ensured adequate disclosures as per Indian Accounting Standard Our audit procedures as detailed above has not revealed any incorrect capitalisation or inadequate disclosures.

KEY AUDIT MATTER 2	HOW IT WAS ADDRESSED DURING AUDIT
Measurement of Inventories (excluding stores and spares)	
a) As at 31st March 2021 the value of Inventory (excluding stores and spares) is ₹ 4203.91 Crores. This constitutes significant percentage of the current assets of the Company. b) The Inventories are initially measured by volume at the natural temperature and various conversion factors are applied to derive the quantitative measure at 15°C. c) The closing Inventory of raw materials has different grades having different weighted average price. The closing inventory of finished products comprises several joint products, having different derived cost of production. d) Considering the various technical measures applied in determining the quantity and value of the inventories, we believe a higher inherent risk is associated with its measurement, requiring significant judgments and estimates. Hence we considered it as a key audit matter. (Please Refer Note No's. 9 and significant accounting policy No.7.1 and 7.2 in Note No.1A)	a) We have evaluated the appropriateness of the management's tank gauging instructions and procedures adopted for recording the Company's physical inventory measurement. b) We have planned and observed the performance of the management's volume measurement procedures at the year end. c) We have derived by reperformance the quantitative measurement by applying conversion metrics for temperature, density and other factors. This conversion metrics was tested on sample basis independently with an external input. The derived measures were compared with the book quantities. d) In case of raw material we have test checked the correctness of the computation of the weighted average cost. e) In respect of stock in process and finished products, we have verified the correctness of valuation. f) We have tested the appropriateness of write down of the inventories to net realisable value of the inventories where required.

KEY AUDIT MATTER 3	HOW IT WAS ADDRESSED DURING AUDIT
Revenue recognition	
a) Revenue is recognised when control of the goods or services are transferred to the customer and is measured at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, excluding discounts, recoveries, and any taxes or duties collected. b) Revenue measurement vary between domestic and merchant export and vary with the mode of transport adopted for transferring control over the goods. The transaction values are based on agreements/MOUs with customers, approval notes and regular business practices. c) The measurement mechanism of quantity dispatched include calibrated capacity of wagon or truck, weighment of trucks before and after loading, readings of mass flow meter, dip readings. Authentic measurement of goods dispatched is of utmost importance in estimating quantity dispatched. d) Recovery of charges built into prices and discounts given to customers require strong process controls to ensure accuracy of revenue recognized. e) Reliable accounting of Revenue is of high importance as any misstatement will impact all other key performance indicators of the Company. Hence we considered it as a key audit matter.	Our audit procedure included the following: - a) Assessing whether the revenue recognition policies were appropriate b) Testing the design and implementation of internal controls, system driven and manual. c) Effectiveness of cut off procedures d) Analysis of significant sales contracts and credit notes to verify correct accounting treatment. e) Testing timeliness of revenue recognition by comparing individual sales transactions to delivery documents. f) Testing of accounts receivables by requesting confirmations from the company's customers and by reconciling payments received after the year end against the accounts receivable balances at the year end.

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

The respective Company's Board of Directors are 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 financial statements does not cover the other information and we do not and will 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.

When we read the report and other information as stated above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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, 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 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 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 Company and its Jointly controlled entities are 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 of 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

The consolidated financial statements also include the Company's share of net profit of ₹ 25.56 Crores for the year ended 31st March, 2021, as considered in the consolidated financial statements, in respect of two jointly controlled companies, 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 these jointly controlled companies, 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 companies, is based solely on the reports of the other auditors.

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.

Report on Other Legal and Regulatory Requirements

1. 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 entities none of the directors of the jointly controlled entities are disqualified as on 31st March, 2021 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 the operating effectiveness of such controls, refer to our separate report in "Annexure A".

   (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 companies, the remuneration paid to the directors of such companies 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(B) 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its Jointly controlled companies incorporated in India.

For Padmanabhan Ramani & Ramanujam
Chartered Accountants
FRN: 002510S

P. Ranga Ramanujam
Partner
Membership No: 022201
UDIN:**21022201AAAADU9492**

For Sreedhar Suresh & Rajagopalan LLP
Chartered Accountants
FRN: 003957S/S200145

K.Sreedhar
Partner
Membership No: 024314
UDIN:**21024314AAAAAM2182**

Place: Chennai
Date: April 28, 2021

Annexure B 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 Consolidated financial statements of the Company for the year ended March 31, 2021)

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, 2021, we have audited the internal financial controls over financial reporting with reference to consolidated financial statements of **Chennai Petroleum Corporation Limited** ("the Company") and its Jointly controlled entities, 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 companies 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over Financial Reporting with reference to consolidated financial statements 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 the Institute of Chartered Accountants of India 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 issued by the Institute of Chartered Accountants of India.with reference to consolidated financial statements. 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements 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 and 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 over financial reporting with reference to consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting with reference to consolidated financial statements

A company's internal financial control over financial reporting with reference to consolidated financial statements 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements

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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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 with reference to consolidated financial statements in so far as it relates to two jointly controlled companies, which are incorporated in India, is based on the corresponding report of the auditor of the companies.

The company's computer systems and software are integrated with the entire group's IT infrastructure maintained centrally by the holding company. All system driven processes and controls are devised, implemented and monitored by the holding company. The system audit report provided by the holding company covers the IT infrastructure of the holding company and not specifically for the company.

The data used in preparation of financial statements are generated extensively through computer systems located off-site at the holding company, a separate full-fledged system audit covering all the aspects of the company's IT infrastructure and controls per-se, is essential as a monitoring tool to gain assurance of operational effectiveness of the IT controls. However during our audit we have not observed any major deficiencies. Our opinion is not modified in this regard.

Opinion

In our opinion the Company, and its jointly controlled companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls over financial reporting with reference to consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting with reference to consolidated financial statements 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

For Padmanabhan Ramani & Ramanujam
Chartered Accountants
FRN: 002510S

P. Ranga Ramanujam
Partner
Membership No: 022201
UDIN:**21022201AAAADU9492**

For Sreedhar Suresh & Rajagopalan LLP
Chartered Accountants
FRN: 003957S/S200145

K.Sreedhar
Partner
Membership No: 024314
UDIN:**21024314AAAAAM2182**

Place: Chennai
Date: April 28, 2021

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2021

₹ in Crore

Particulars			Note No.	As at 31-Mar-21	As at 31-Mar-20
I	ASSETS				
(1)	Non-current assets				
	(a) Property, Plant and Equipment		2	7096.56	7012.51
	(b) Capital work-in-progress		2.1	1308.63	1375.51
	(c) Intangible assets		3	45.61	21.60
	(d) Intangible assets under development		3.1	241.80	222.29
	(e) Financial Assets				
		(i) Investments			
		- Equity Investment in Joint Ventures	4	198.51	178.92
		- Other Investments	4.1	0.11	0.11
		(ii) Loans	5	54.68	51.26
		(iii) Other Financial Assets	6	111.08	80.83
	(f) Deferred tax assets (Net)		7	-	933.52
	(g) Income tax assets (Net)		7	51.06	49.44
	(h) Other non-current assets		8	60.26	47.77
			A	9168.30	9973.76
(2)	Current assets				
	(a) Inventories		9	4508.86	2360.77
	(b) Financial Assets				
		(i) Trade receivables	10	199.98	123.90
		(ii) Cash and cash equivalents	11	1.15	0.05
		(iii) Other bank balances	12	3.68	3.68
		(iv) Loans	5	33.22	33.06
		(v) Other Financial Assets	6	17.84	52.90
	(c) Other current assets		8	292.00	287.80
			B	5056.73	2862.16
	TOTAL ASSETS		A+B	14225.03	12835.92
II	EQUITY AND LIABILITIES				
	EQUITY				
	(a) Equity Share capital		13	148.91	148.91
	(b) Other Equity		14	1462.29	1210.36
	LIABILITIES				
(1)	Non-current liabilities				
	(a) Financial Liabilities				
		(i) Borrowings	15	3017.95	2940.27
		(ii) Other financial liabilities	16	6.72	6.84
	(b) Provisions		17	109.47	100.63
	(c) Deferred tax liabilities (Net)		7	103.52	-
	(d) Other non-current liabilities		18	14.99	13.64
			A	3252.65	3061.38
(2)	Current liabilities				
	(a) Financial Liabilities				
		(i) Borrowings	19	5650.69	5732.68
		(ii) Trade payables	20		
		- Total outstanding dues of micro and small enterprises		9.38	0.56
		- Total outstanding dues of creditors other than micro and small enterprises		1872.60	1554.11
		(iii) Other financial liabilities	16	1124.98	670.44
	(b) Other current liabilities		18	656.47	415.96
	(c) Provisions		17	47.06	41.52
			B	9361.18	8415.27
	TOTAL EQUITY AND LIABILTIES		(A+B)	14225.03	12835.92
	See accompanying notes to the financial statements		1-45		

for and on behalf of Board of Directors

(Rajeev Ailawadi)
Director (Finance) & Managing Director i/c
DIN - 07826722

(S. Krishnan)
Director (Operations)
DIN - 08691391

(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 : 2102201AAADU9492

For SREEDHAR SURESH & RAJAGOPALAN LLP
Chartered Accountants
(FRN: 003957S / S200145)

K. Sreedhar
Partner
Membership No. 024314
UDIN : 21024314AAAAAM2182

Place : Chennai
Date : 28-Apr-2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH 2021

₹ in Crore

	Particulars	Note No.	For the Year ended 31-Mar-21		For the Year ended 31-Mar-20	
I.	Revenue from operations	21		41899.07		48706.32
II.	Other income	22		100.97		18.21
III.	Total Income (I + II)			42000.04		48724.53
IV.	Expenses:					
	Cost of materials consumed	23		19864.68		35793.34
	Purchase of Stock-in-Trade			39.94		896.49
	Changes in Inventories (Finished Goods and Work-In Progress)	24		(892.11)		990.39
	Excise Duty			19454.31		11533.48
	Employee benefits expense	25		564.51		507.83
	Finance costs	26		375.04		413.25
	Depreciation and Amortisation expense on:					
	a) Tangible Assets	2	462.50		466.59	
	b) Intangible Assets	3	3.29		1.59	
				465.79		468.18
	Impairment on Property, Plant and Equipment / CWIP			1.59		54.42
	Other expenses	27		855.61		1089.08
	Total Expenses (IV)			40729.36		51746.46
V	Profit/(Loss) before Exceptional items and tax (III - IV)			1270.68		(3021.93)
VI	Share of Profit of Joint Ventures			25.56		27.08
VII	Exceptional Items			-		-
VIII	Profit/(Loss) before tax (V + VI + VII)			1296.24		(2994.85)
IX	Tax expense:	7				
	(1) Current tax [Includes Nil (2020: ₹ 94.51 Crore relating to prior years]			-		94.51
	(2) Deferred tax			1038.98		(1032.96)
X	Profit/(loss) for the year from continuing operations (VIII - IX)			257.26		(2056.40)
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)			257.26		(2056.40)
XV	Other Comprehensive Income	28				
A.	(i) Items that will not be reclassified to profit or loss			(7.29)		(60.95)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	7		1.96		21.30
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)			251.93		(2096.05)
XVII	Earning per equity share:					
	(1) Basic (₹)	30		17.28		(138.10)
	(2) Diluted (₹)			17.28		(138.10)
	See accompanying notes to the financial statements	1-45				

for and on behalf of Board of Directors

(Rajeev Ailawadi)
Director (Finance) & Managing Director i/c
DIN - 07826722

(S. Krishnan)
Director (Operations)
DIN - 08691391

(P.Shankar)
Company Secretary
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As per our attached Report of even date

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(FRN: 003957S / S200145)

K. Sreedhar
Partner
Membership No. 024314
UDIN : 21024314AAAAAM2182

Place : Chennai
Date : 28-Apr-2021

CPCL

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2021

(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 2020	148911400	148.91	-	-	148.91
At 31 March 2021	**148911400**	**148.91**	**-**	**-**	**148.91**

(b) Other equity

₹ in Crore

	Reserve and Surplus					Total
	Securities Premium	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	-	-	-	-	-	-
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**

	Reserve and Surplus					Total
	Securities Premium	Capital Redemption reserve	Capital reserve	Retained earnings	General reserve	
At 01 April 2020	250.04	600.00	0.09	(3179.05)	3539.28	**1210.36**
Profit for the Year	-	-	-	257.26	-	**257.26**
Other comprehensive income (Remeasurement of gain or loss on defined benefit plan)	-	-	-	-	(5.33)	**(5.33)**
Total comprehensive income	-	-	-	257.26	(5.33)	**251.93**
Transfer to Retained Earnings	-	-	-	-	-	-
Dividend	-	-	-	-	-	-
Dividend distribution tax (DDT)	-	-	-	-	-	-
At 31 March 2021	**250.04**	**600.00**	**0.09**	**(2921.79)**	**3533.95**	**1462.29**

for and on behalf of Board of Directors

(Rajeev Ailawadi)
Director (Finance) & Managing Director i/c
DIN - 07826722

(S. Krishnan)
Director (Operations)
DIN - 08691391

(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 : 2102201AAADU9492

For SREEDHAR SURESH & RAJAGOPALAN LLP
Chartered Accountants
(FRN: 003957S / S200145)

K. Sreedhar
Partner
Membership No. 024314
UDIN : 21024314AAAAAM2182

Place : Chennai
Date : 28-Apr-2021

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2021

₹ in Crore

	Particulars	For the Year ended 31-Mar-21	For the Year ended 31-Mar-20
A	Cash Flow from Operating Activities		
1	**Profit Before Tax**	**1296.24**	(2994.85)
2	**Adjustments for :**		
	Depreciation of property, plant and equipment	462.50	466.59
	Impairment of Property, Plant and Equipment / CWIP	1.59	54.42
	Unclaimed / Unspent liabilities written back	(0.11)	(3.34)
	Loss/(gain) on disposal of property, plant and equipments (net)	51.34	12.08
	Amortisation and impairment of intangible assets	3.29	1.59
	Amortisation of Government Grants	(1.31)	(0.47)
	Net Exchange Differences	(4.98)	32.50
	Provision for Capital work-in-progress / Doubtful Debts written back	(1.10)	(2.38)
	Provision for Doubtful Debts, Advances and Claims	0.29	-
	Remeasurement of Defined Benefit Plans thru OCI	(7.21)	(60.95)
	Provision for Stores (net)	0.76	3.82
	Finance income	(14.40)	(18.01)
	Finance costs	375.04	413.25
	Share of Joint Ventures	(25.56)	(27.08)
3	**Operating Profit before Working Capital Changes (1+2)**	**2136.38**	(2122.83)
4	**Change in Working Capital:**		
	(Excluding Cash & Cash equivalents)		
	Trade Receivables & Other receivables	(90.74)	154.20
	Inventories	(2148.85)	2482.37
	Trade and Other Payables	300.84	(959.74)
	Provisions	256.24	(128.72)
	Change in Working Capital	**(1682.51)**	1548.11
5	**Cash Generated From Operations (3+4)**	**453.87**	(574.72)
6	**Less : Taxes paid**	(1.62)	(45.48)
7	**Net Cash Flow from Operating Activities (5-6)**	**452.25**	(620.20)
B	Cash Flow from Investing Activities:		
	Proceeds from sale of Property, plant and equipment / Transfer of Assets	0.60	0.12
	Purchase of Property, plant and equipment	(568.87)	(987.07)
	Interest received (Finance Income)	14.40	18.01
	Dividend Income	5.92	5.92
	Net Cash Generated/(Used) in Investing Activities:	**(547.95)**	(963.02)
C	Net Cash Flow From Financing Activities:		
	Proceeds from Long-Term Borrowings	1010.00	1464.65
	Repayments of Long-Term Borrowings (Including lease liability)	(518.79)	(350.49)
	Proceeds from/(Repayments of) Short-Term Borrowings	(81.99)	858.71
	Interest paid	(312.42)	(388.55)
	Dividend distribution tax paid	-	(1.22)
	Net Cash Generated/(Used) from Financing Activities:	**96.80**	1583.10
D	Net Change in Cash & cash equivalents (A+B+C)	**1.10**	(0.12)
E-1	Cash & cash equivalents as at end of the year	1.15	0.05
E-2	Cash & cash equivalents as at beginning of the year	0.05	0.17
	NET CHANGE IN CASH & CASH EQUIVALENTS (E 1- E 2)	**1.10**	(0.12)

Notes :

1. Cash Flow Statement is prepared using Indirect method as per Indian Accounting Standard -7 Cash Flow Statement.

Reconciliation between opening and closing balances of financial liabilites with the net cash generated /(Used) from financing activities:

₹ in Crore

Financial Liabilities	As at 31.03.2019	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)	1794.00	1100.19	13.97	24.70	32.50	2965.36
Short Term Borrowings	4873.97	858.71	-	-	-	5732.68

Financial Liabilities	As at 31.03.2020	Cash Flow	Non-cash Changes			As at 31.03.2021
			Lease Liability	Interest Accrued but not due	Foreign exchange movement	
Long Term Borrowings (Including Other Current Financial Liability)	2965.36	491.21	11.31	61.14	(12.75)	3516.27
Short Term Borrowings	5732.68	(81.99)	-	-	-	5650.69

for and on behalf of Board of Directors

(Rajeev Ailawadi)
Director (Finance) & Managing Director i/c
DIN - 07826722

(S. Krishnan)
Director (Operations)
DIN - 08691391

(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 : 2102201AAADU9492

For SREEDHAR SURESH & RAJAGOPALAN LLP
Chartered Accountants
(FRN: 003957S / S200145)

K. Sreedhar
Partner
Membership No. 024314
UDIN : 21024314AAAAAM2182

Place : Chennai
Date : 28-Apr-2021

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, 2021.

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 28th April, 2021.

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:

2.1.1. 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 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 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 weighted average cost.

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

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.

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, 2020

Amendments to Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors

Definition of the term 'material' is refined and related clarifications have been provided. Consequential amendments to other standards has been done. The Company has adopted the amendments w.e.f April 1, 2020. There is no impact due to this amendment.

Amendments to Ind AS 103, Business Combinations

Not applicable

Amendment to Ind AS 107 & 109, Financial Instruments

The Company has adopted the amendments w.e.f April 1, 2020. Additional disclosures pertaining to Interest rate benchmark reforms has been prescribed in Ind AS 107 & 109. There are no such transactions during the year and there is no impact due to this amendment.

Amendment to Ind AS 116, Leases relating to accounting of COVID related Rent concessions on leases.

There are no such transactions during the year and accordingly, no impact due to this amendment.

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 Equip-ments	Transport Equip-ments	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 2020	48.95	5.92	179.37	8560.49	38.09	11.90	7.10	-	20.31	16.80	**8888.93**
	Additions during the Year (Note: E)	0.13	-	17.45	567.02	6.89	-	0.87	-	-	9.83	**602.19**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	7.70	(86.96)	(1.68)	(1.47)	(0.86)	-	-	-	**(83.27)**
	Gross Block as at 31st March 2021	**49.08**	**5.92**	**204.52**	**9040.55**	**43.30**	**10.43**	**7.11**	**-**	**20.31**	**26.63**	**9407.85**
DEPRECIATION, AMORTISATION AND IMPAIRMENT	Depreciation and Amortisation as at 1st April 2020	-	0.35	30.27	1691.03	20.86	2.88	3.14	-	5.20	3.84	**1757.57**
	Depreciation and Amortisation during the Year:	-	0.07	6.55	440.00	7.10	1.45	0.72	-	0.97	5.64	**462.50**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	0.37	(27.14)	(3.23)	(0.75)	(0.58)	-	-	-	**(31.33)**
	Total Depreciation and Amortisation upto 31st March 2021	-	**0.42**	**37.19**	**2103.89**	**24.73**	**3.58**	**3.28**	-	**6.17**	**9.48**	**2188.74**
	Total Impairment Loss as at 1st April 2020	-	-	19.01	99.57	-	-	-	-	0.27	-	**118.85**
	Impairment Loss during the Year (Note: D)	-	-	-	3.70	-	-	-	-	-	-	**3.70**
	Impairment loss reversed during the Year	-	-	-	-	-	-	-	-	-	-	-
	Total Impairment Loss upto 31st March 2021	-	-	**19.01**	**103.27**	-	-	-	-	**0.27**	-	**122.55**
NET BLOCK	**AS AT 31st March 2021**	**49.08**	**5.50**	**148.32**	**6833.39**	**18.57**	**6.85**	**3.83**	-	**13.87**	**17.15**	**7096.56**
	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

CPCL

Previous Year:

₹ in Crore

	Particulars	Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant and Equip-ment	Office Equip-ments	Transport Equip-ments	Furniture and Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	ROU asset	Total
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

Notes :

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 GST ITC), 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 (2020 : ₹ 0.003 Crore)

D. Impairment loss pertains to Cauvery Basin Refinery (refer Note 43.1)

E. Additions to Gross Block includes : **₹ in Crore**

Asset Particulars	**Borrowing Cost**	
	31-Mar-21	31-Mar-20
Plant and Equipment	26.00	10.92
Total	**26.00**	**10.92**

Details of assets given on lease included in the above: **₹ in Crore**

Asset Particulars	**Gross Block as at 1st April 2020**	**Accumulated Depreciation & Amortisation**	**Accumulated Impairment loss**	**W.D.V as at March 31,2021**	**W.D.V as at March 31,2020**
Land	5.32	-	-	**5.32**	5.32
Buildings	0.40	0.05	0.17	**0.18**	0.19
Plant and Equipment	3.91	1.08	-	**2.83**	3.01
Total	9.63	1.13	0.17	**8.33**	8.52

Note – 2.1 : CAPITAL WORK-IN-PROGRESS

₹ in Crore

Sl.No	**Particulars**	**Note**		**31-Mar-21**	31-Mar-20
1	Construction Work in Progress - Property, Plant & Equipment				
	(Including unallocated capital expenditure, materials at site)				
	Balance as at beginning of the year		1243.25		1044.25
	Add: Additions during the year		354.72		798.79
	Less: Allocated / Adjusted during the year		515.22		599.79
			1082.75		1243.25
	Less: Provision for Capital Losses		1.51		1.51
	Less: Impairment Loss	**A**	0.22		2.33
				1081.02	1239.41
2	Capital stores balance as at beginning of the year		10.30		24.99
	Add: Additions during the year		71.56		83.00
	Less: Allocated / Adjusted during the year		48.74		97.69
			33.12		10.30
	Less: Provision for Capital Losses		3.30		3.01
	Capital stores			**29.82**	7.29
3	Capital Goods in Transit			**36.72**	8.08
4	Construction Period Expenses pending allocation:				
	Balance as at beginning of the year		120.73		60.34
	Net expenditure during the year (Note -"2.2")		81.96		79.43
			202.69		139.77
	Less: Allocated / Adjusted during the year		41.62		19.04
				161.07	120.73
	TOTAL	**B**		**1308.63**	1375.51

Notes :

A Impairment loss pertains to Cauvery Basin Refinery (refer Note 43.1)

B The cost of assets includes EPCG benefit (net of GST ITC), net of VAT CREDIT/CENVAT/GST ITC wherever applicable

Note – 2.2 : CONSTRUCTION PERIOD EXPENSES(NET) DURING THE YEAR

₹ in Crore

	Particulars	31-Mar-21	31-Mar-20
1	Employee Benefit expenses	**24.94**	27.33
2	Power & Fuel	**0.65**	1.39
3	Finance Cost	**47.04**	48.28
4	Others	**9.33**	2.43
	Net Expenditure during the year	**81.96**	79.43
	Specific borrowings eligible for capitalisation (Rate in %)	5.68% to 7.85%	3.15% to 8.4%

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 2020	1.08	26.71	27.79
	Additions during the Year	0.62	26.16	26.78
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	0.57	-	0.57
	Gross Block as at 31st March 2021	**2.27**	**52.87**	**55.14**
AMORTISATION AND IMPAIRMENT (A)	Amortisation as at 1st April 2020	0.90	5.27	6.17
	Amortisation during the Year	0.71	2.58	3.29
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	0.05	-	0.05
	Total and Amortisation upto 31st March 2021	**1.66**	**7.85**	**9.51**
	Total Impairment Loss as at 1st April 2020	0.02	-	0.02
	Impairment Loss during the Year	-	-	-
	Impairment loss reversed during the Year	-	-	-
	Total Impairment Loss upto 31st March 2021	**0.02**	-	**0.02**
NET BLOCK	**AS AT 31st March 2021**	**0.59**	**45.02**	**45.61**
	AS AT 31st March 2020	0.16	21.44	21.60

Previous 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 (A)	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	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

(2) Intangible assets with indefinite useful life

Current year:

₹ in Crore

	Particulars	Right of Way
GROSS BLOCK	Gross Block as at 1st April 2020	0.27
	Additions during the Year	-
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-
	Gross Block as at 31st March 2021	**0.27**
AMORTISATION AND IMPAIRMENT (A)	Total Impairment Loss as at 1st April 2020	0.27
	Impairment Loss during the Year	-
	Impairment loss reversed during the Year	-
	Total Impairment Loss upto 31st March 2021	**0.27**
NET BLOCK	**AS AT 31st March 2021**	-
	AS AT 31st March 2020	-

Previous 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 (A)	Total Impairment Loss as at 1st April 2019	0.27
	Impairment Loss during the Year	-
	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	-

Note :

(A) Impairment loss pertains to Cauvery Basin Refinery (refer Note 43.1)

Note – 3.1 : INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Crore

Particulars		31-Mar-21	31-Mar-20
Work in Progress - Intangible Asset:			
Balance as at beginning of the year	222.29		77.99
Add: Net expenditure during the year	19.51		144.30
		241.80	222.29
TOTAL		**241.80**	222.29

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 31-Mar-21	Non-current 31-Mar-20
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)			**186.68**	167.09
	ii) National Aromatics and Petrochemical Corporation Limited	2500 Equity Shares fully paid	10	**0.03**	0.03
	Add: Share of Other Equity (inclusive of OCI)		A	**(0.03)**	(0.03)
				-	-
	TOTAL			**198.51**	178.92
	Aggregate value of unquoted investments			**198.54**	178.95
	Aggregate amount of impairment in value of investments			**0.03**	0.03

Note – 4.1 : OTHER INVESTMENTS

₹ in Crore

Sl. No	Particulars	No. and Particulars	Face Value per share (₹)	Non-current 31-Mar-21	Non-current 31-Mar-20
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		B	**0.11**	0.11
	Aggregate value of unquoted investments			**0.11**	0.11
	Aggregate amount of impairment in value of investments			**-**	-

Note :

A National Aromatics and Petrochemical Corporation Limited is not operational. The company has decided to exit from the JV and the process in this regard is already initiated.

B Fair Value approximates carrying value

Note – 5 : LOANS

₹ in Crore

Sl. No	Particulars	Note		Non-current 31-Mar-21	Non-current 31-Mar-20		Current 31-Mar-21	Current 31-Mar-20
1	**Security Deposits**							
	To Others							
	i) Unsecured, Considered Good			**1.34**	1.24		**21.95**	21.45
2	**Loans Receivables:**							
	To Related Parties							
	i) Considered Good -Secured	**A.1**	0.15		0.02	0.02		0.01
	ii) Considered Good -Unsecured	**A.2**	0.11		0.08	0.04		0.03
			0.26		0.10	**0.06**		0.04
	To Others							
	i) Considered Good -Secured		46.09		38.18	5.35		5.43
	ii) Considered Good -Unsecured		6.99		11.74	5.86		6.14
			53.08		49.92	**11.21**		11.57
	Sub Total			**53.34**	50.02		**11.27**	11.61
	TOTAL			**54.68**	51.26		**33.22**	33.06
Notes :								
A.1	**Includes:**							
1	Due from Directors			**0.14**	0.00		**0.01**	-
2	Due from Officers			**0.01**	0.02		**0.01**	0.01
A.2	**Includes:**							
1	Due from Directors			**0.07**	0.02		**0.02**	0.01
2	Due from Officers			**0.04**	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 31-Mar-21	Amount as on 31-Mar-20	Maximum Amount outstanding during the year ended 31-03-21	Maximum Amount outstanding during the year ended 31-Mar-20
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 are interested	-	-	-	-

Note – 6 : OTHER FINANCIAL ASSETS

₹ in Crore

Sl. No	Particulars	Note				Current	
			31-Mar-21	31-Mar-20		**31-Mar-21**	31-Mar-20
1	**Deposit for Leave Encashment Fund**		**111.08**	80.83		-	-
2	**Claims Recoverable :**						
	a) From Related Parties						
	i) Unsecured, Considered Good	**A**	-	-	0.89		1.17
	ii) Unsecured, Considered Doubtful		-	-	22.66		22.66
			-	-	23.55		23.83
	Less : Share of Other Equity (JV-National Aromatics and Petrochemicals Corporation Limited)				10.13		10.12
	Less : Provision for Doubtful Claims				12.53		12.54
	Sub Total		-	-		**0.89**	1.17
	b) Others						
	i) Unsecured, Considered Good		-	-	16.41		46.89
	ii) Unsecured, Considered Doubtful		-	-	5.89		7.02
			-	-	22.30		53.91
	Less : Provision for Doubtful Claims		-	-	5.89		7.02
	Sub Total		-	-		**16.41**	46.89
3	**Other Financial Assets**		-	-		**0.54**	4.84
	TOTAL		**111.08**	**80.83**		**17.84**	52.90

A Pertains to Indian Oil Corporation Ltd., the holding company

Note – 7 : INCOME TAX ASSETS/ LIABILITIES (NET)

₹ in Crore

Particulars	Non - Current		Current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Income Tax Asset / (Liability) - Net				
Advance payments for Income Tax	705.69	704.07	-	-
Less: Provision for Income Tax	654.63	654.63	-	-
Income Tax Asset / (Liability) - Net	**51.06**	49.44		-
TOTAL	**51.06**	49.44		-

(I) Reconciliation between the average effective tax rate and the applicable tax rate is as below:

	Note	31-Mar-21	31-Mar-20
Accounting profit			
Tax at the applicable tax rate of 25.17% (31.3.2020: 34.94%)		**25.17%**	**34.94%**
Tax effect of income that are not taxable in determining taxable profit:		-	0.03%
Tax effect on share of results of joint venture:		0.50%	0.26%
Tax effect of expenses that are not deductible in determining taxable profit:		0.69%	(0.42%)
Tax expense /income related to prior years :		-	(3.16%)
Tax effect on recognition of previously unrecognised allowances / disallowances :		0.28%	(0.31%)
Tax effect due to Change in applicable Tax rates :	A	53.52%	-
Tax expense		**80.15%**	**31.34%**

(II) In compliance of Ind As 12 on "Income Taxes", the item wise details of deferred tax liability (net) are as under:

	As at	Provided during the Year	Provided during the Year in OCI	As at	Provided during the Year	Provided during the Year in OCI	As at
	31-Mar-19	2019-20	2019-20	31-Mar-20	2020-21	2020-21	31-Mar-21
Deferred tax liability:							
Related to Property,Plant & Equipment (Depreciation)	1043.51	113.81	-	1157.32	(397.95)	-	759.37
Total deferred tax liability (A)	**1043.51**	**113.81**	-	**1157.32**	**(397.95)**	-	**759.37**
Deferred tax assets:							
Carry forward Business Loss/ Unabsorbed Depreciation	291.56	1164.71	-	1456.26	(822.20)	-	634.06
Provision on Inventories, Trade Receivables, Loans and advances, CWIP, Investments etc.	26.63	(11.90)	-	14.73	(4.65)	-	10.08
43B Disallowances, Bonus, Gratuity etc.	4.59	(6.03)	21.30	19.86	(10.09)	1.94	11.71
MAT Credit Entitlement	599.99	-	-	599.99	(599.99)	-	-
Total deferred tax assets (B)	**922.77**	**1146.77**	**21.30**	**2090.84**	**(1436.93)**	**1.94**	**655.85**
Deferred Tax Liability (Net) (A - B)	**120.74**	**(1032.96)**	**(21.30)**	**(933.52)**	**1038.98**	**(1.94)**	**103.52**

A. Pursuant to the introduction of Section 115BAA of the Income Tax Act, 1961, the company has an option to pay corporate income tax at the rate of 22% plus applicable surcharge and cess (lower rate) as against the earlier rate of 30% plus applicable surcharge and cess, subject to certain conditions. Considering all the provisions under said section 115BAA of the Income Tax Act, 1961 the Company has decided to avail the lower rate from FY 2019-20.

Accordingly, the Company has recognized Provision for Income tax for the year ended 31st March, 2021 and re-measured the net Deferred Tax Liabilities at the lower rate.

Further, the Minimum Alternate Tax balance as on 31st March, 2020 has not been carried forward as per provision of Section 115BAA of the Income Tax Act, 1961. The MAT balance of ₹ 599.99 Crore and the net impact on deferred tax due to this change is ₹ 93.77 crore is accounted as Tax expense during the year.

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 applicable to the company.

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 and timing of such earnings.

Note – 8 : OTHER ASSETS

₹ in Crore

Sl. No	Particulars	Note			Current	
			31-Mar-21	31-Mar-20	**31-Mar-21**	31-Mar-20
1	**Advance for Capital Expenditure**					
	a) To Related Parties					
	i) Unsecured, Considered Good		**-**	-	**-**	-
	b) To Others					
	i) Unsecured, Considered Good		**2.15**	5.17	**-**	-
2	**Advances**					
	a) To Related Parties					
	i) Unsecured, Considered Good			-	**0.13**	-
	b) To Others					
	i) Unsecured, Considered Good		**-**	-	**50.32**	34.22
3	**Claims Recoverable :**					
	From Custom, Excise, Sales tax, Income Tax dept & Others					
	i) Unsecured, Considered Good		**-**	-	**210.42**	215.48
4	**GST-ITC recoverable**		**-**	-	**13.10**	25.39
5	**Balance with Customs, Port Trust and**					
	Excise Authorities:					
	i) Unsecured, Considered Good		**-**	-	**6.11**	0.37
6	**Gold / Other Precious Metals**		**-**	-	**9.10**	9.53
7	**Defened Expenses**		**27.87**	27.16	**2.82**	2.81
8	**Other Assets**	**A**	**30.24**	15.44	**-**	-
	TOTAL		**60.26**	47.77	**292.00**	287.80

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		31-Mar-21	31-Mar-20
1	**In Hand :**			
	a. Stores, Spares etc.	337.58		303.77
	Less : Provision for Losses	40.05		39.29
			297.53	264.48
	b. Raw Materials		**1518.69**	605.21
	c. Finished Products		**1935.22**	1061.64
	d. Stock in Process		**299.96**	281.43
			4051.40	2212.76
2	**In Transit :**			
	a. Stores & Spares etc.		**7.47**	5.91
	b. Raw Materials		**449.99**	142.10
			457.46	148.01
	TOTAL		**4508.86**	2360.77
Amount of write down of inventories to NRV and recognised as expense			**81.57**	1455.71

Valuation of Inventories are done as per sl. no.7 of Significant accounting policies (Note-1A).

Note – 10 : TRADE RECEIVABLES

₹ in Crore

Particulars	Note		31-Mar-21	31-Mar-20
a) From Related Parties				
i) Considered Good - Unsecured	(i)	114.42		66.16
b) From Others				
i) Considered Good - Secured	(ii)	-		1.43
ii) Considered Good -Unsecured		85.56		56.31
			199.98	123.90
TOTAL	A		**199.98**	123.90

Notes :

(i) Includes receivables from Indian Oil Corporation Ltd., the holding company ₹ 113.66 Crore (2020: ₹ 62.68 Crore) and receivables from Indian Additives Limited, Joint Venture Company ₹ 0.76 Crore (2020: ₹ 3.48 Crore).

(ii) Represents dues for which mortgage and first charge on Land is in favour of the company -NIL (2020: ₹ 100 Crore)

A **Offsetting Financial Assets and Financial Liabilties:**

The following table presents the recognised financial instruments that are offset as at 31st March 2021 and 31st March 2020

Particulars	Effects of offsetting on the balance sheet		
	Gross Amount	Gross Amounts set off in the balance sheet	Net Amounts presented in the balance sheet
31-03-21			
Financial Assets			
Trade receivables	1489.66	1289.68	199.98
Trade Payables	3171.66	1289.68	1881.98
31-03-20			
Financial Assets			
Trade receivables	535.71	411.81	123.90
Financial Liabilities			
Trade Payables	1966.48	411.81	1554.67

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	31-Mar-21	31-Mar-20
1	**Bank Balances with Scheduled Banks :**		
	Current Account	**1.15**	0.05
	TOTAL	**1.15**	0.05

Note – 12 : OTHER BANK BALANCES

₹ in Crore

Sl. No	Particulars	Note	31-Mar-21	31-Mar-20
1	Earmarked Balances	A	**3.68**	3.68
	TOTAL		**3.68**	3.68

Note :

A) Pertains to Unpaid dividend (Refer note 16- Sl.No.6)

Note – 13 : EQUITY SHARE CAPITAL

₹ in Crore

Particulars	Note	31-Mar-21	31-Mar-20
Authorized:			
Equity:			
40,00,00,000 (2020: 40,00,00,000) Equity Shares of ₹ 10 each		400.00	400.00
Preference:			
100,00,00,000 (2020:100,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each		1000.00	1000.00
		1400.00	1400.00
Issued :			
Equity:			
14,89,11,400 (2020: 14,89,11,400) Equity Shares of ₹ 10 each	(i)	148.91	148.91
Preference:			
50,00,00,000 (2020: 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 (2020: 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 31.03.2021 is ₹ 500 crore.

Preference Shares classified as financial liability (long term borrowing) as per Ind AS 32 - Refer note - 15(D)

Note – 13 : EQUITY SHARE CAPITAL

A. Reconciliation of No. of Shares	31-Mar-21		31-Mar-20	
	Equity Shares	**Preference Shares**	Equity Shares	Preference Shares
Opening Balance	14,89,11,400	50,00,00,000	14,89,11,400	50,00,00,000
Shares Issued	-	-	-	-
Shares bought back / Redeemed	-	-	-	-
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

	31-Mar-21	31-Mar-20
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	31-Mar-21		31-Mar-20	
	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

Share holding pattern

Particulars	31-Mar-21		31-Mar-20	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
Indian Oil Corporation Limited, the Holding Company	77265200	51.89	77265200	51.89
Naftiran Intertrade Company Limited	22932900	15.40	22932900	15.40
NBFC	1350	0.00	5609	0.00
IEPF	507466	0.34	303281	0.20
Banks, QIB and Insurance companies	6753565	4.54	7125076	4.78
Bodies Corporate	1718564	1.15	2595963	1.74
Public (Incl. employees)	27362284	18.37	13033715	8.75
Mutual funds & UTI	9749328	6.55	8752188	5.88
Non resident Indians/ OCBs/FN/FIIs	2620743	1.76	16894568	11.35
	148911400	100.00	148911400	100.00

Note – 14 : OTHER EQUITY

₹ in Crore

Sl. No	Particulars	Note		31-Mar-21	31-Mar-20
1	**Retained Earnings**				
a)	**General Reserve :**				
	As per last Account		3539.28		3578.93
	Add: Remeasurement of Defined Benefit Plans		(5.33)		(39.65)
			3533.95		3539.28
b)	**Surplus (Balance in Statement of Profit and Loss):**				
	Balance Brought Forward from Last Year's Account		(3179.05)		(1121.43)
	Add: Profit / (Loss) for the Year		257.26		(2056.40)
	Less: APPROPRIATIONS:				
	Final Dividend		-		-
	Balance carried forward to next year's account		(2921.79)		(3179.05)
				612.16	360.23
2	**Other Reserves**				
a)	**Capital Redemption Reserve :**	A			
	As per last Account			**600.00**	600.00
b)	**Securities Premium:**	B			
	As per last Account			**250.04**	250.04
c)	**Capital Reserve**				
	As per last Account			**0.09**	0.09
	TOTAL			**1462.29**	1210.36

Note :

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 Capital Redemption Reserve Account : To be utilised for redemption of Preference Shares

B 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 31-Mar-21	Non-current 31-Mar-20		Current Maturities 31-Mar-21	Current Maturities 31-Mar-20
I.	**SECURED LOANS**							
1	**Term Loans:**							
	From banks							
	i) INR Loan	A	-		500.00		-	3.34
	ii) Foreign Currency Loans US $ 50 Million (2020: US $ 50 Million)	B	-		378.85	**365.79**		
	Total (Loans from Banks)			-	878.85		**365.79**	
	From other parties							
	i) Loans from OIDB	A		**443.88**	332.55	**87.50**		12.50
	Total (Term Loans)			**443.88**	1211.40		**87.50**	15.84
	Total Secured Loans			**443.88**	1,211.40		**453.29**	15.84
II.	**UNSECURED LOANS**							
1	**Debentures**	C						
	11450 Nos. of 6.43% Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - I-2020 (2020: 11450)		**1145.00**		1145.00	**6.26**		6.64
	8100 Nos. of 5.78% Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - I-2021 (2020: Nil)		**810.00**		-	**33.09**		-
	Total (Term Loans)			**1955.00**	1145.00		**39.35**	6.64
2	**Loans from related parties:**	D						
	50,00,00,000 (2020 :50,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each			**605.76**	572.51		-	-
3	**Lease obligations**	E		**13.31**	11.36		**5.68**	2.61
	Total Unsecured Loans			**2574.07**	1728.87		**45.03**	9.25
	TOTAL LONG-TERM BORROWINGS			**3017.95**	2940.27		**498.32**	25.09

A. Secured Rupee Term Loans:

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Repayment	Security Details
1	Term Loan from Oil Industry Development Board - ₹ 50 Crore	18-03-19	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
2	Term Loan from Oil Industry Development Board - ₹ 50 Crore	17-05-19	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
3	Term Loan from Oil Industry Development Board - ₹ 150 Crore	30-10-19	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
4	Term Loan from Oil Industry Development Board - ₹ 100 Crore	31-03-20	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
5	Term Loan from Oil Industry Development Board - ₹ 100 Crore	30-06-20	5.68%	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
6	Term Loan from Oil Industry Development Board - ₹ 100 Crore	26-03-21	Floating rate based on month end (semi-annualised) interest rates for 5 year G-Sec as per FIMMDA plus 50% of margins of AAA rated Bonds over G-Sec as quoted in INCORP (quote AAA INBMK) reset on a quarterly basis.	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
7	Term Loan from State Bank of India - ₹ 500 Crore	07-01-19	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.

CPCL

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	13-12-18	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	28-02-20	6.43%	Principal repayable at the end of 3 years from date of availment. Interest payable Annually
2	Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series -I-2021	17-07-20	5.78%	Principal repayable at the end of 5 years from date of availment. Interest payable Annually

D. 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.

(a) Such shares shall confer on the holders thereof, the right to preferential dividend from the date of allotment i.e., 24.09.2015

(b) Such shares shall rank for capital and dividend (including all dividend undeclared upto the commencement of winding up) and for repayment of capital in a winding up, pari passu inter se and in priority to the Ordinary Shares of the Company, but shall not confer any further or other right to participate either in profits or assets.

(c) The holders of such shares shall have the right to receive all notices of general meetings of the Company and have a right to vote only on resolution placed before the share holders which directly affect their rights attached to preference shares like winding up of company or repayment of preference shares etc.

(d) The tenure of the NCCRP Shares would be 10 years, with put and call option. Either the preference shareholder shall have right to exercise Put option or the Issuer shall have right to exercise Call option to redeem the preference shares, in whole or in part after the 5 years of the preference issue date. However, it is also agreed that Put & Call option before the 5 year period can be exercised by mutual consent of both the parties by giving 30 days notice.

(e) Dividend rate shall be equivalent to the Post tax yield of AAA rated corporate bond i.e. prevailing (at the time of issue) 10 year G-Sec yield plus spread on AAA rated corporate bond i.e., 6.65% p.a (reckoned for the FY 2015-16). The coupon rate on preference share would be adjusted to reflect the subsequent changes in tax laws with the consent and approval of preference share holders by way of special resolution. Currently, the Effective interest rate inclusive of dividend distribution tax is 8.00%

(ii) Non-convertible cumulative redeemable preference shares to the extent of ₹ 500 Crore, out of ₹ 1000 crore was redeemed on 06.06.2018.

(iii) **Preference Shares held by Holding Company** **₹ in Crore**

Particulars	31-Mar-21	31-Mar-20
50,00,00,000 (2020 : 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	31-Mar-21		31-Mar-20	
	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

E. Lease obligations

Lease obligations are against assets acquired under operating leases. The Carrying value of the assets is ₹ 17.15 crore (2020: ₹ 12.96 crore)

Note – 16 : OTHER FINANCIAL LIABILITIES

₹ in Crore

Sl. No	Particulars	Note	Non-current		Current	
			31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
1	Current maturities of Long term debt		-	-	498.32	25.09
2	Liability for Capital Expenditure	A	-	-	434.46	387.71
3	Liability to Trusts and Other Funds		-	-	43.80	64.11
4	Employee Liabilities for Expenses		-	-	107.55	141.24
5	Security Deposits	B	6.72	6.84	35.45	47.58
6	Liability for Unpaid Dividend	C	-	-	3.68	3.68
7	Other Financial Liabilities		-	-	1.72	1.03
	TOTAL		6.72	6.84	1124.98	670.44

Notes :

A Includes dues Payable to Indian Oil Corporation Limited ₹ 4.31 Crore (2020: ₹ 4.58 Crore) and Indian Oiltanking Limited (formerly known as IOT Infrastructure & Energy Services Limited) ₹ 4.76 Crore (2020: ₹ 4.76 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 31-Mar-21	Non-current 31-Mar-20	Current 31-Mar-21	Current 31-Mar-20
1	Provision for Employee Benefits		**109.47**	100.63	**22.56**	17.13
2	Contingencies for probable obligations	A	**-**	-	**24.50**	24.39
	TOTAL		**109.47**	100.63	**47.06**	41.52

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	0.11	-	-	11.16
Income Tax	13.34	-	-	-	13.34
TOTAL	**24.39**	**0.11**	-	-	**24.50**
Previous Year	86.14	13.34	-	75.09	24.39

Note – 18 : OTHER LIABILITIES

₹ in Crore

Sl. No	Particulars	Note	Non-current 31-Mar-21	Non-current 31-Mar-20	Current 31-Mar-21	Current 31-Mar-20
1	Deferred Income	A	**7.73**	8.02	**0.30**	0.30
2	Government Grants					
	Liability towards Government Grants (Refer Note - 40)		**7.26**	5.62	**1.69**	1.10
3	Statutory Liabilities		**-**	-	**628.88**	397.69
4	Advances from Customers		**-**	-	**25.60**	16.87
	TOTAL		**14.99**	13.64	**656.47**	415.96

Note :

A Pertains to Indian Oil Corporation Ltd., the holding company

Note – 19 : BORROWINGS - CURRENT

(At Amortised Cost)

₹ in Crore

Sl. No	Particulars	Note		31-Mar-21	31-Mar-20
I.	**SECURED LOANS**				
1	**Loans Repayable on Demand**				
	From Banks:				
	a) In Rupees				
	i) Working Capital Demand Loan		-		1002.53
	ii) Cash Credit		-		0.44
	Sub-Total			**-**	1002.97
2	**Other Loans**				
	From Banks:				
	i) Commercial Paper - SBI		2011.42		1493.38
	Sub-Total			**2011.42**	1493.38
	Total Secured Loans	A		**2011.42**	2496.35

II.	**UNSECURED LOANS**			
1	**Loans Repayable on Demand**			
	From Banks/Financial Institutions:			
	In Rupees			
	Working Capital Demand Loan	155.02		1718.35
	Sub-Total		**155.02**	1718.35
2	**Other Loans**			
	From Banks/Financial Institutions:			
	In Rupees			
	Commercial Paper		**3484.25**	1517.98
	Total Unsecured Loans		**3639.27**	**3236.33**
	TOTAL BORROWINGS - CURRENT		**5650.69**	5732.68

A Secured against hypothecation of Trade receivables & Inventories to the extent of ₹ 3184 Crore with State Bank of India. (2020: ₹ 3184 Crore)

As at 31 March 2021 the Company had available ₹ 1147.75 Crore (2020: ₹ 669.43 Crore) of undrawn Credit facilities.

Note – 20 : TRADE PAYABLES

₹ in Crore

Particulars	**Note**	**31-Mar-21**	31-Mar-20
Dues to Micro and Small Enterprises	**A**	**9.38**	0.56
Dues to Related Parties	**B**	**1077.29**	1077.01
Dues to Others		**795.31**	477.10
TOTAL	**C**	**1881.98**	1554.67

Notes :

A Details relating to Micro and Small Enterprises is as follows:

Particulars	**31-Mar-21**	31-Mar-20
(a) the principal amount	9.38	0.56
(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;	-	-
(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		31-Mar-21	31-Mar-20
1	Sale of Products and Crude (including Excise Duty)		41869.29		48754.55
	Less: Discounts		55.34		130.31
	Sales (Net of Discounts)	A	41813.95		48624.24
2	Other Operating Revenues (Note "21.1")		85.12		82.08
				41899.07	48706.32
	TOTAL	**B**		**41899.07**	48706.32
Notes :					
A	Breakup of Gross revenue and Excise Duty on sales				
	Particulars			**31-Mar-21**	31-Mar-20
	Revenue (gross)			41813.95	48624.24
	Less: Excise Duty			19302.68	11380.55
	Net Revenue			**22511.27**	**37243.69**

B Refer Note-42 Revenue from contracts with customers

Note – 21.1 : OTHER OPERATING REVENUES

₹ in Crore

Sl. No	Particulars	Note	31-Mar-21	31-Mar-20
1	Sale of Power		**1.91**	0.96
2	Unclaimed / Unspent liabilities written back		**0.11**	3.34
3	Provision for Doubtful Debts, Advances, Claims, and Stores written back.		**1.10**	2.38
4	Recoveries from Employees		**1.47**	2.48
5	Sale of Scrap		**6.99**	11.71
6	Amortisation of Government Grants related to OIDB loan		**1.31**	0.47
7	Revenue Grants		**1.68**	3.10
8	Terminalling Charges		**1.67**	2.95
9	Other Miscellaneous Income	A	**68.88**	54.69
	TOTAL		**85.12**	82.08

A Refer Note-43.5

Note – 22 : OTHER INCOME

₹ in Crore

Sl. No	Particulars		31-Mar-21	31-Mar-20
1	Interest on :			
	Financial Item:			
	a) Loans and Advances	6.03		6.47
	b) Deposits	0.56		0.87
	c) Customers Outstanding	0.02		6.45
	d) Others	7.79		4.22
			14.40	18.01
2	Exchange Fluctuations (Net)		**86.46**	-
3	Other Non Operating Income		**0.11**	0.20
	TOTAL		**100.97**	18.21

Total interest income (calculated using the effective interest method) for financial assets that are not at fair value through profit or loss:

₹ in Crore

	31-Mar-21	31-Mar-20
In relation to financial assets measured at amortised cost	**14.40**	18.01

Note – 23 : COST OF MATERIALS CONSUMED

₹ in Crore

Particulars	**Note**	**31-Mar-21**	31-Mar-20
Raw Material Consumed :			
Opening Balance		**747.31**	2276.56
Add :			
Purchases		**21086.05**	34264.09
Sub Total		**21833.36**	36540.65
Less: Closing Stock		**1968.68**	747.31
TOTAL (Net)		**19864.68**	35793.34

Note – 24 : CHANGES IN INVENTORY

₹ in Crore

Particulars		**31-Mar-21**	31-Mar-20
Closing Stock			
a) Finished Products	1935.22		1061.64
b) Stock in Process	299.96		281.43
		2235.18	1343.07
Less:			
Opening Stock			
a) Finished Products	1061.64		1700.20
b) Stock in Process	281.43		633.26
		1343.07	2333.46
NET INCREASE/(DECREASE)		**892.11**	(990.39)

Note – 25 : EMPLOYEE BENEFIT EXPENSE

₹ in Crore

Particulars	31-Mar-21	31-Mar-20
Employee Benefit Expense:		
(a) Salaries, Wages, Bonus etc	**435.76**	380.96
(b) Contribution to Provident & Other Funds	**73.64**	57.33
(c) Staff Welfare Expenses	**55.11**	69.54
TOTAL	**564.51**	507.83

Notes :

A Disclosure in compliance with Ind AS - 19 on "Employee Benefits" is given in Note - 32

B Above excludes ₹ 24.94 Crore (2020: ₹ 27.33 Crore) included in capital work in progress (Note - 2.2)

Note – 26 : FINANCE COSTS

₹ in Crore

Sl. No		Particulars	Note		31-Mar-21	31-Mar-20
1		**Interest Payments on Financial items:**	(i)			
	I	**Working Capital Loans**				
		Short term Borrowings		227.69		314.27
		Other Loans				
		Debentures/Long Term Loan	A	108.86		35.16
					336.55	349.43
	II	Unwinding of Finance cost on Lease obligations			**1.90**	1.72
	III	Interest expense for Preference Shares treated as financial liabilities	B		**33.25**	33.25
2		**Interest Payments on Non Financial items**			**0.80**	0.30
3		**Other Borrowing Cost**			**2.54**	1.76
4		**Exchange differences regarded as adjustment to borrowing cost**	A		**-**	26.79
		TOTAL			**375.04**	413.25

Notes :

A	Net of interest capitalised as part of CWIP	**47.04**	**48.28**
B	Refer Note-15 D (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

	31-Mar-21	31-Mar-20
In relation to financial liabilities measured at amortised cost	**371.70**	384.40

Note – 27 : OTHER EXPENSES

₹ in Crore

Sl. No	Particulars		31-Mar-21	31-Mar-20
1	Consumption:			
	a) Stores, Spares and Consumables	77.81		89.61
	b) Packages & Drum Sheets	0.85		1.15
			78.66	90.76
2	Power & Fuel	1552.22		2750.54
	Less : Fuel from own production	1494.25		2680.77
			57.97	69.77
3	Irrecoverable taxes - Central Sales Tax		**222.34**	199.46
4	Repairs and Maintenance			
	i) Plant & Machinery	162.73		243.02
	ii) Buildings	0.70		2.48
	iii) Others	46.44		42.76
			209.87	288.26
5	Freight, Transportation Charges and Demurrage		**112.05**	28.15
6	Office Administration, Selling and Other Expenses (Note "27.1")		**175.37**	414.07
	TOTAL		**856.26**	1090.47
	Less: Company's use of own Products		**0.65**	1.39
	TOTAL (Net)		**855.61**	1089.08

Note – 27.1 : OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES

₹ in Crore

Sl. No	Particulars	Note		31-Mar-21	31-Mar-20
1	Rent			**8.34**	11.01
2	Insurance			**23.71**	18.88
3	Rates & Taxes			**1.92**	2.03
4	Payment to auditors :				
	a) For Statutory Audit		0.29		0.24
	b) For Limited Review		0.12		0.12
	c) For Taxation Matters		0.07		0.06
	d) Other Services(for issuing other certificates etc.)		0.03		0.03
				0.51	0.45
5	Travelling & Conveyance			**14.94**	25.16
6	Communication Expenses			**1.95**	2.15
7	Printing & Stationery			**1.21**	1.38
8	Electricity & Water			**0.78**	1.28
9	Bank Charges			**1.43**	1.61
10	Provision / Loss on Assets sold or written off (Net)			**51.34**	12.08
11	Technical Assistance Fees			**5.17**	9.02
12	Exchange Fluctuation (Net)			**-**	239.22
13	Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores			**1.05**	3.82
14	Security Force Expenses			**33.99**	35.97
15	Terminalling Charges			**8.96**	10.43
16	Provision for Probable Contingencies			**0.11**	-
17	Expenses on CSR Activities	Refer Note:39		**1.96**	16.72
18	Miscellaneous Expenses	A		**18.00**	22.86
	TOTAL			**175.37**	414.07

Note :

A Miscellaneous Expenses Includes:

i) Expenditure on Advertisement, Public Relations and Publicity amounting to ₹ 0.44 Crore (2020: ₹ 0.78 Crore). The ratio of annual expenditure on Advertisement,Public Relations and Publicity to the annual turnover (inclusive of excise duty) is 0.00001:1 (2020: 0.00002:1)

ii) Entertainment Expenses ₹ 0.2 Crore (2020: ₹ 0.39 Crore)

Note – 28 : OTHER COMPREHENSIVE INCOME

₹ in Crore

Sl. No	Particulars		31-Mar-21	31-Mar-20
A.	**Items that will not be reclassified to profit or loss:**			
1	Remeasurement of Defined Benefit Plans	(7.21)		(60.95)
2	Share of Joint Ventures and Associates in Remeasurement of Defined Benefit Plans	(0.08)		-
			(7.29)	(60.95)
B.	**Income Tax relating to items that will not be reclassified to profit or loss:**			
1	Remeasurement of Defined Benefit Plans	1.94		21.30
2	Share of Joint Ventures and Associates in Remeasurement of Defined Benefit Plans	0.02		-
			1.96	21.30
	TOTAL		**(5.33)**	(39.65)

Note – 29 : DISTRIBUTIONS MADE AND PROPOSED

₹ in Crore

Particulars	31-Mar-21	31-Mar-20
Cash dividends on Equity shares	-	-
	-	-
Note : Refer Note-15 D (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	31-Mar-21	31-Mar-20
Profit / (Loss) attributable to equity holders (₹ in Crore)	**257.26**	(2056.40)
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	**148911400**	148911400
Earning Per Share (Basic and Diluted) (₹)	**17.28**	(138.10)
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 31.03.2021	As at 31.03.2020
Indian Additives Limited	India	50%	Joint Venture	Equity Accounting	198.51	178.92
National Aromatics and Petrochemical Corporation Limited	India	50%	Joint Venture	Equity Accounting	(10.13)	(10.12)

Summarised balance sheet of the Indian Additives Limited:

(₹ in Crore)

	31-Mar-21	31-Mar-20
	Audited	**Audited**
Current assets	376.48	331.77
Current liabilities	120.37	112.69
Non-current assets	176.85	173.17
Non-current liabilities	35.93	34.54
Net assets	**397.03**	**357.71**

	31-Mar-21	31-Mar-20
	Audited	**Audited**
Proportion of the company's ownership on the above	50%	50%
Carrying amount of the investment	198.51	178.92
The above amounts of assets and liabilities include the followings		
Cash and cash equivalents	49.03	21.80

Summarised statement of profit and loss of the Indian Additives Limited:

(₹ in Crore)

Paritculars	31-Mar-21	31-Mar-20
	Audited	**Audited**
Revenue From Operations	699.42	793.37
Other Income	7.94	8.32
Cost of Material Consumed	418.13	470.21
Purchases of Stock in trade	57.25	129.57
Changes in inventories of finished goods, stock-in-trade and work in progress	20.41	(15.33)
Excise duty on sale of goods	-	-
Employee Benefits Expense	33.42	31.29
Finance Costs	0.32	0.42
Depreciation and amortization expense		
a) Tangible Assets	15.66	13.54
b) Intangible Assets	0.03	0.08
Other Expenses	92.89	103.71
Profit before exceptional items and tax	**69.25**	**68.20**

Paritculars	31-Mar-21	31-Mar-20
	Audited	Audited
Exceptional Items	-	-
Profit/(loss) before tax	**69.25**	**68.20**
Tax expense:		
Current Tax	17.50	15.49
Deferred Tax	0.47	(1.74)
Profit (Loss) for the period	**51.28**	**54.45**
Other Comprehensive Income	(0.12)	(0.43)
Total comprehensive income	**51.15**	**54.02**
Dividend received	5.92	5.92

Commitments and contingent liabilities in respect of Joint Venture

Particulars	31-Mar-21	31-Mar-20
	Audited	Audited
Commitments – Joint Venture		
Property, Plant and Equipments	1.10	5.08
Civil Work relating to Project	-	-
Contingent liabilities – Joint Venture		
Income Tax Matters	3.33	3.33
Excise Duty Matters	0.01	0.01
Service Tax Matters	0.76	0.75
Sales Tax Matters	0.34	0.34
Customs duty matters	0.01	0.01

Individually immaterial Joint Ventures:

Particulars		31-Mar-21	31-Mar-20
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		(0.01)	(0.01)

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 ₹ 21.1 Crore (2020: ₹ 22.95 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 ₹ 1.95 Crore (2020: ₹ 2.11 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 Fund maintained by the PF Trust in respect of which actuarial valuation is carried out and ₹ 4.34 Crore (2020 : Nil) has been provided by the company are current and future interest shortfall/losses beyond available surplus.

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.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 leave for each completed quarter of service. Encashment of earned leave 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 leave at the end of every six months. The Company has been adopting a practice of permitting encashment of the entire accumulation of sick leave 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 in earlier years to reconsider the matter. The matter has been dealt in 3rd PRC recommendations, which is effective January 1,2017 and CPSEs have been allowed to frame their own rules considering operational necessities and subject to conditions set therein. The net expenditure accounted towards encashment of sick leave for the year is ₹ 6.94 Crore (2020: ₹ 4.64 crore). The accumulated provision for towards encashment of sick leave is ₹ 32.51 Crore (2020: ₹ 29.98 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 ₹ 0.80 Crore (2020: ₹ 0.72 Crore). The accumulated provision in this regard is ₹ 11.54 Crore (2020: ₹ 12.59 Crore). The Company continues this practice keeping in view operational complications and service agreements. Our Holding company has represented to the concerned authorities in earlier years 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	Funded
Defined Obligation at the beginning	**596.00**	**154.79**	**236.68**
	544.95	*144.22*	*175.54*
Current Service Cost	**26.59**	**2.39**	**3.76**
	22.72	*1.60*	*3.82*
Interest Cost	**45.86**	**10.57**	**16.12**
	46.51	*11.09*	*13.66*
Past Service Cost	**-**	**16.83**	**-**
	-	*1.15*	*-*
Benefits paid	**(104.91)**	**(19.52)**	**(4.13)**
	(57.72)	*(12.89)*	*(4.14)*
Employee Contribution	**48.34**	**-**	**-**
	39.93	*-*	*-*
Transferred from other company	**(0.30)**	**-**	**-**
	(0.39)	*-*	*-*
Actuarial (gain)/ loss on obligations	**5.70**	**(1.10)**	**5.58**
	-	*9.62*	*47.80*
Defined Benefit Obligation at the end of the year	**617.28**	**163.96**	**258.00**
	596.00	*154.79*	*236.68*

(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	599.11	132.89	195.01
	556.86	138.65	-
Expected return on plan assets (Interest Income)	45.86	9.08	13.28
	46.51	10.66	-
Contribution by employer	26.59	14.28	41.68
	22.72	-	194.97
Contribution by employees	48.34	-	-
	39.93	-	0.04
Benefit paid	(104.91)	(19.52)	-
	(57.72)	(12.89)	-
Transferred from other company	(0.30)	-	-
	(0.39)	-	-
Actuarial gain / (losses)(Return on Plan Assets excl interest income)	(1.76)	0.80	(3.52)
	(8.80)	(3.53)	-
Fair value of plan assets at the end of the year	612.93	137.53	246.45
	599.11	132.89	195.01

(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	612.93	137.53	246.45
	599.11	132.89	195.01
Defined Benefit Obligation at the end of the year	617.28	163.96	258.00
	596.00	154.79	236.68
Liability recognised in the Balance Sheet	4.35	26.43	11.55
	-	21.90	41.67
Amount not recognised in the Balance Sheet	-	-	-
	(3.11)	-	-

(iv) Amount recognised in Statement of Profit and Loss / CWIP **(₹ in Crore)**

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Current Service Cost	26.59	2.39	3.76
	22.72	1.60	3.82
Interest Cost	45.86	1.49	16.12
	46.51	0.43	13.66
Expected (return) / loss on plan asset	(45.86)	-	(13.28)
	(46.51)	-	-
Contribution by Employees	-	-	-
	-	-	(0.04)
Past Service Cost	-	16.83	-
	-	1.15	-
Expenses for the year	26.59	20.71	6.60
	22.72	3.18	17.44

(v) Amount recognised in Other Comprehensive Income (OCI) **(₹ in Crore)**

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Actuarial (gain)/ loss on Obligations	**5.70**	**(1.10)**	**5.58**
	-	*9.62*	*47.80*
Remeasurement (Return on Plan Assets excl interest income)	**(1.76)**	**(0.80)**	**3.52**
	(8.80)	*3.53*	*-*
Net Loss / (Gain) recognized in OCI	**-**	**(1.90)**	**9.10**
	-	*13.15*	*47.80*
Net Loss / (Gain) not recognized in P&L / OCI	**7.46**	**-**	**-**
	8.80	*-*	*-*

(vi) Major Actuarial Assumptions

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Discount rate	**6.85%**	**6.85%**	**6.91%**
	6.83%	*6.83%*	*6.81%*
Guaranteed return on plan assets	**8.50%**	**-**	**-**
	8.50%	*-*	*-*
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	PRMS
	Funded	Funded
Change in Discounting Rate		
Increase by 0.5%	**(4.97)**	**(20.75)**
	(4.20)	*(24.79)*
Decrease by 0.5%	**5.36**	**23.77**
	4.48	15.42
Change in Employee Turnover		
Increase by 0.5%	**0.35**	**0.28**
	1.05	*0.22*
Decrease by 0.5%	**(0.36)**	**(0.30)**
	(2.23)	*(0.24)*
Change in Salary Escalation/ Inflation rate		
Increase by 0.5%	**4.02**	**23.77**
	1.02	*15.40*
Decrease by 0.5%	**(3.69)**	**(20.95)**
	(1.05)	*(24.95)*

(viii) Investment details:

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Investment with Insurer	**-**	**100.00%**	**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	Gratuity	PRMS
	Funded	Funded	Funded
Government securities (Central & State)	**42.33%**	**75.11%**	**79.55%**
	41.86%	*74.84%*	*84.94%*
Investment in Equity / Mutual Funds	**7.26%**	**9.07%**	**5.85%**
	6.02%	*5.95%*	*4.33%*
Investment in Debentures / Securities	**44.21%**	**14.80%**	**13.27%**
	46.19%	*17.85%*	*10.30%*
Other approved investments (incl. Cash)	**6.20%**	**1.03%**	**1.33%**
	5.92%	*1.36%*	*0.43%*

(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	**24.44**	**6.50**	**30.95**
	23.46	*6.04*	*29.50*
Between 2 to 5 Years	**63.02**	**34.85**	**97.87**
	69.11	*32.68*	*101.79*
Between 6 to 10 Years	**74.90**	**64.17**	**139.07**
	65.67	*60.68*	*126.35*
	Gratuity Funded	**PRMS Funded**	
Weighted Average Duration of Defined Benefit Obligation	**8 Years**	**16 Years**	
	7 Years	16 Years	

Note – 33 : COMMITMENTS AND CONTINGENCIES

A Leases

(a) As lessee

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	31-Mar-2021	31-Mar-2020
Depreciation recognized	5.64	3.84
Interest on lease liabilities	1.48	1.34
Expenses relating to short-term leases (leases more than 30 days but less than 12 months)	3.13	1.00
Variable lease payments not included in the measurement of lease liabilities	4.25	1.87
Total cash outflow for leases	14.15	7.03
Additions to ROU during the year	9.83	16.80
Net Carrying Amount of ROU at the end the year	17.15	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 :-

Current Year : **(₹ in Crore)**

Asset Class	Items Added to RoU Asset as on 01.04.2020	Additions to RoU Asset during the Year	Depreciation Recognized During the Year	Net Carrying value as on 31.03.2021
Leasehold Land	9.94	-	1.52	8.42
Buildings Roads etc.	0.35	-	0.02	0.33
Plant & Equipment	-	2.22	1.11	1.11
Transport Equipments	2.67	7.61	2.99	7.29
Total	**12.96**	**9.83**	**5.64**	**17.15**

Previous Year : (₹ 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.

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.

(b) As lessor

(i) Operating Lease

The lease rentals recognized as income in these statements as per the rentals stated in the respective agreements:

(₹ in Crore)

Particulars	31-Mar-2021	31-Mar-2020
A. Lease rentals recognized during the period	30.06	30.29
B. Value of assets given on lease included in tangible assets		
- Gross Carrying Amount	9.63	17.68
- Accumulated Depreciation	1.13	2.29
- Depreciation recognized in the Statement of Profit and Loss	0.19	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)

	31-Mar-2021	31-Mar-2020
Less than one year	15.27	13.84
One to two years	14.38	13.63
Two to three year	15.11	14.34
Three to four years	15.89	15.08
Four to five years	16.70	15.85
More than five years	729.75	746.42
Total	807.10	819.16

B Contingent Liabilities

Contingent Liabilities amounting to ₹444.66 Crore (2020: ₹581.57 Crore) are as under:

(i) ₹ 26.61 Crore (2020: ₹ 23.13 Crore) being the demands raised by the Central Excise / Customs / Service Tax Authorities including interest of ₹ 11.00 Crore (2020: ₹ 9.3 Crore).

(ii) ₹ 381.26 Crore (2020: ₹ 527.71 Crore) being the demands raised by the VAT/ Sales Tax Authorities and includes no interest (2020: Nil).

(iii) ₹ 28.93 Crore (2020: ₹ 23.56 Crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹ 7.77 Crore (2020: ₹ 7.6 Crore).

(iv) ₹ 7.86 Crore (2020: ₹ 7.16 Crore) in respect of other claims including interest of ₹ 1.17 Crore (2020: ₹ 1.19 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 ₹ 424.07 Crore (2020: ₹ 752.73 Crore).

(ii) **Other Commitments**

The Company has an export obligation to the extent of ₹ 147.02 Crore (2020: ₹ 33.3 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	31-Mar-2021	31-Mar-2020
● Sale of Product and Services	39814.53	45180.87
● Dividend on Preference Shares	33.25	33.25
● Sale of Scrap / Catalyst	-	0.11
● EDP Maintenance	3.08	3.20
● Other Operating Income	31.82	35.58
● Purchase of Raw Material	681.13	105.81
● Purchase of Stock-in-Trade	39.94	268.10
● Purchase of Stores & Spares	4.94	11.64
● Payment towards License fee	9.81	-
● Canalising commission	6.00	2.50
● Vessel hiring charges	20.44	-
● Terminalling Charges	2.90	6.75
● Rental Expenditure	4.90	1.73
● Training Expenses	-	0.24
● Other Miscellaneous Expenditure	-	0.16
● Security Expenses	0.01	-

Particulars	31-Mar-2021	31-Mar-2020
● Purchase of RLNG	745.83	682.45
● Finance Cost - Unwinding of finance cost	0.40	0.37
● Capital Advances / (Liabilities)	(4.31)	(4.58)
● Revenue Advances	0.13	-
● Outstanding Receivables	114.56	63.85
● Other Liabilities - Land given on lease	14.74	15.15
● Other Non - current Assets - Land given on lease	30.24	15.44
● Outstanding payables		
Trade Payables	1077.29	1077.01
Preference Shares (at face value)	500.00	500.00

B. Details of Joint Ventures

i) Indian Additives Limited **(₹ in Crore)**

Particulars	31-Mar-2021	31-Mar-2020
● Investment	11.83	11.83
● Sale of Product	11.00	33.67
● Rental income	0.14	0.60
● Dividend received	5.92	5.92
● Sale of Water	-	0.01
● Outstanding Receivables	0.76	3.48

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

Particulars	31-Mar-2021	31-Mar-2020
● Investments in Joint Venture Entities/ Associates	0.03	0.03
● Claims recoverable	22.66	22.66

The Investment & claims recoverable has been fully impaired (Note - 4)

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

i) CPCL Educational Trust

Particulars	31-Mar-2021	31-Mar-2020
● CSR Expenses	0.30	0.50
● Miscellaneous Expenses	-	0.01

D. Associates of Holding Company **(₹ in Crore)**

i) Indian Oiltanking Limited (formerly known as IOT Infrastructure & Energy Services Limited)

Particulars	31-Mar-2021	31-Mar-2020
● Outstanding payable	4.76	4.76

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 (Upto 31.01.2021)	1) Shri Sanjiv Singh (Non - Executive Chairman) (Upto 30.06.2020)
2) Shri Rajeev Ailawadi	2) Shri S M Vaidya (Non - Executive Chairman) (w.e.f 01.07.2020)
3) Shri R.Srikanthan (Upto 30.09.2020)	3) Shri Mrutunjay Sahoo (Upto 31.01.2020)
4) Shri. S.Krishnan (w.e.f. 01.03.2020)	4) Dr.P.B.Lohiya (Upto 31.01.2020)
5) Shri G.Aravindan (Upto 28.02.2020)	5) Smt Perin Devi (Upto 23.11.2020)
6) Shri H. Shankar (w.e.f. 01.10.2020)	6) Shri B V Rama Gopal (Upto 31.07.2019)
7) Shri P.Shankar	7) Shri D. Durai Ganesan
	8) Smt. Sobha Surendran (w.e.f. 31.10.2019)
	9) Shri Mohammad Bagher Dakhili
	10) Shri Babak Bagherpour
	11) Shri M Narayana Rao (w.e.f 29.07.2019)
	12) Shri Amitabh Mathur (w.e.f 29.07.2019)
	13) Shri Manoj Sharma (w.e.f 24.07.2020)
	14) Shri Sukh Ram Meena (w.e.f. 28.12.2020)

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

For the Year ended 31-Mar-2021 **(₹ in Crore)**

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remune-ration	Sitting Fee	Outstanding loans/advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri S.N.Pandey	0.28	0.08	0.36	-	0.72	-	-
2) Shri Rajeev Ailawadi	0.42	0.09	0.06	-	0.57	-	-
3) Shri R.Srikanthan	0.22	0.04	0.44	-	0.71	-	-

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remune-ration	Sitting Fee	Outstanding loans/advance receivables
4) Shri S.Krishnan	0.46	0.10	-	-	0.56	-	0.02
5) Shri H.Shankar	0.18	0.04	0.02	-	0.24	-	0.22
6) Shri P.Shankar	0.41	0.09	-	-	0.50	-	0.08
B. Independent / Government Nominee Directors#							
1) Shri. D.Durai Ganesan	-	-	-	-	-	0.05	-
2) Shri. Amitabh Mathur						0.05	
3) Shri. Myneni Narayana Rao						0.04	
4) Smt. Sobha Surendran						0.03	
TOTAL	**1.97**	**0.44**	**0.87**	-	**3.29**	**0.17**	**0.32**

Sitting fees paid to Independent Directors

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 Remune-ration	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**

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	31-Mar-2021		31-Mar-2020	
			Contribution by Employer	Outstanding Payable	Contribution by Employer	Outstanding Payable
A	CPCL Employees Provident Fund	Provident Fund	28.25	2.00	22.74	0.55
B	CPCL Employees Superannuation Benefit Fund	Pension Scheme	11.05	-	22.71	-
C	CPCL Employees Group Gratuity Trust	Gratuity	14.28	26.43	0.30	21.90
D	Post Retirement Medical Benefit Trust	PRMB	41.68	11.55	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-2021	As at 31-Mar-2020	**As at 31-Mar-2021**	As at 31-Mar-2020	
Financial Assets					
Amortised Cost:					
Loans to employees	**64.61**	63.27	**55.37**	58.58	Level 2
Total	**64.61**	63.27	**55.37**	58.58	
Financial liabilities					
A. Borrowings (Non-Current):					
Amortised Cost:					
Non-Convertible Redeemable Debentures	**1955.00**	1145.00	**1941.08**	1148.17	Level 2
Lease obligation	**18.99**	13.97	**19.56**	14.48	Level 2
Preference Shares	**605.76**	572.51	**600.00**	555.63	Level 2
Term Loans from Oil Industry Development Board (OIDB)	**531.38**	345.05	**536.50**	355.32	Level 2
Total	**3111.13**	2076.53	**3097.14**	2073.60	

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 2020-21 was reviewed by the Risk Management Committee, Audit Committee and Board of Directors at their meetings held on 28.04.2021.

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 analysis in the following sections relate to the position as at 31 March 2021 and 31 March 2020

The analysis 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 analysis:

- 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 2021 and 31 March 2020 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 2021.

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 2021, approximately 87% of the Company's Long term borrowings are at fixed rate of interest (31 March 2020: 63%).

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**	Increase / Decrease in basis points	Effect on profit before tax
	(₹ in Crore)		(₹ in Crore)	
	31-Mar-2021		31-Mar-2020	
INR	**+50**	**(0.49)**	+50	(2.50)
US Dollar	**+50**	**(1.83)**	+50	(1.89)
INR	**-50**	**0.49**	-50	2.50
US Dollar	**-50**	**1.83**	-50	1.89

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**	Increase / Decrease in %	Effect on profit before tax
	in %		in %	
	31-Mar-2021		31-Mar-2020	
US Dollar	**+5%**	**(127.28)**	+5%	(90.51)
	-5%	**127.28**	-5%	90.51

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, inventory 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 2021 and 31 March 2020 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-2021						
Borrowings(including lease obligations)	155.02	5509.66	484.33	3017.95	-	9166.96
Trade payables	248.16	1633.82	-	-	-	1881.98
Other financial liabilities	558.38	-	-	-	-	558.38
	961.56	**7143.48**	**484.33**	**3017.95**	**-**	**11607.32**
Year ended						
31-Mar-2020						
Borrowings	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**

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 Debt-Equity ratio has been impacted due to the lower product cracks arising out of the CoVID-19 situation. Need for capital infusion, would be reasssed based on the turnaround of the situation.

(₹ in Crore)

Particulars	**31-Mar-21**	31-Mar-20
Borrowings	9166.96	8698.04
Total Borrowings	**9166.96**	**8698.04**
Equity Share Capital	148.91	148.91
Reserves and Surplus	1462.29	1210.36
Equity	**1611.20**	**1359.27**
Debt Equity Ratio	**5.69 : 1**	**6.4 : 1**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2021 and 31st March 2020

Note – 38 : RESEARCH AND DEVELOPMENT COSTS

Research and Development Expenses of ₹ 0.62 Crore(2020: ₹ 0.32 Crore) of capital expenditure incurred and ₹ 5.64 Crore (2020 ₹ 4.49 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 2020	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at 31st Mar 2021	Work-in-Progress as at 1 Apr 2020	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31st Mar 2021	Total Capital Expen-diture
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	16.40	0.62	-	-	**17.02**	-	-	-	-	**0.62**
Office Equipment	0.30	-	-	-	**0.30**	-	-	-	-	-
Furniture & Fixtures	0.28	-	-	-	**0.28**	-	-	-	-	-
Total	**16.98**	**0.62**	-	-	**17.60**	-	-	-	-	**0.62**

B. RECURRING EXPENSES

₹ in Crore

Sl. No	Particulars	31-Mar-21	31-Mar-20
1	Consumption of Stores, Spares & Consumables	0.25	0.47
2	Repairs & Maintenance		
	(a) Plant & Equipment	0.24	0.23
3	Payment to and Provisions for employees	4.67	3.31
4	Other Expenses	0.48	0.48
	Total	**5.64**	**4.49**

C. TOTAL RESEARCH EXPENSES

₹ in Crore

Particulars	31-Mar-21	31-Mar-20
Capital Expenditure	0.62	0.32
Recurring Expenditure	5.64	4.49
Total	**6.26**	**4.81**

Note – 39 : DISCLOSURE RELATING TO CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

(₹ in Crore)

Particulars	31-Mar-21	31-Mar-20
(a) Gross amount required to be spent by the company during the year.		
Annual CSR Allocation	-	16.72
Shortfall Carry forward from previous year	-	-
Gross amount required to be spent	-	**16.72**
Surplus carried forward to the Next year	1.96	-

(b) Amount spent during the year on: (₹ in Crore)

	31-Mar-21			31-Mar-20		
	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	0.61	-	0.61	2.06	-	2.06
Swachh Bharat	0.05	-	0.05	9.65	-	9.65
Education/employment vocational skills	1.27	-	1.27	2.86	-	2.86
Other expenses	0.03	-	0.03	2.15	-	2.15
Total Expenses (ii)	**1.96**	-	**1.96**	**16.72**	-	**16.72**
Grand Total (i) and (ii)	**1.96**	-	**1.96**	**16.72**	-	**16.72**

Note – 40 : DISCLOSURE ON GOVERNMENT GRANTS

A Revenue Grants

1 Stipend to apprentices under NATS scheme

The company has received grant of ₹ 0.09 Crore (2020: ₹ 0.97 crore) 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, 2021 is ₹ 2.29 Crore (2020: ₹ 1.67 Crore). The company recognised ₹ 1.68 Crore (2020: ₹ 2.72 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 ₹ Nil (2020: ₹ 0.38 crore) 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 ₹ 0.09 crore (2020: ₹ 0.47 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, 2021 is ₹ 6.66 crore (2020:₹ 5.05 crore). During the year, the company has recognised ₹ 1.31 crore (2020: ₹ 0.47 crore) 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 outstanding forward contract as at 31st March 2021(2020 : NIL)
3. Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2021 is given below:

₹ in Crore

S. No	Particulars	As on 31-Mar-2021 Aggregate amount	As on 31-Mar-2020 Aggregate amount
1	Unhedged- Payables	**2694.40**	1866.60
2	Unhedged- Receivables	**148.90**	56.31

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

	2020-21	2019-20
Total Revenue	41856.90	48696.93
Revenue from contract with customers	41813.95	48624.24
Revenue from other contracts / from others	42.95	72.69

No impairment of losses on receivables has been recognised during the current and previous year.

CPCL

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 is not 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 ₹ 1.59 Crore (2020: ₹ 54.42 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 31.03.2021 - ₹ 123.06 Crore (2020: ₹ 121.47 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 During the year, 9 MMTPA refinery project at Cauvery Basin Refinery,Nagapattinam has been approved by the Board of Directors of IndianoilCorporation, the holding company. The approval is accorded for implementationof the project through a separate Joint Venture, subject to the approval by NITI Aayog/DIPAM for the Joint Venture. The company has made application to the NITI Aayog/DIPAM through the Ministry of Petroleum and Natural Gas forthe approval of the Joint Venture. The companycontinues to disclose pre-project feasibility study expenditure of ₹ 55.13 crore (2020: ₹ 49.66 crore) under Capital Work in progress and ₹ 241.80 crore (2020: ₹ 222.29 crore) under Intangibles under development, pending receipt of approval. On receipt of approval for JV, the capital expenditure will be suitably accounted as Investments / Other Current Assets.

3 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.

4 (a) The cost of land includes provisional payments towards cost, compensation, and other accounts for which detailed accounts are yet to be received from the authorities concerned.

(b) 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.

5 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. Claim received during the year amounting to ₹ 33.41 crore settled during the year is included in other operating revenues.

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 during the year 2018-19. Claim received during the year amounting to ₹ 3.09 Crore (2020: ₹ 11.95 Crore) is included in other operating revenues.

6 During the previous 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.

7 The company operates only in a single segment viz. downstream petroleum sector. As such reporting is done on a single segment basis.

8 Covid-19 related impact: The demand for fuel products was lower during the first half year due to COVID related lock downs, resulting in lower crude thruput. The capacity utilization gradually improved subsequently.

Management has assessed the potential impact of COVID 19 based on the current circumstances and expects that there will be no significant impact on the continuity of operations of the Corporation, on useful life of the assets, on financial position etc. on a long term basis.

9 There are no other significant subsequent events that require adjustments or disclosures in the financial statements as at balance sheet date, other than those disclosed above.

10 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 2021	**88.31%**	**1422.82**	**90.06%**	**231.70**	**98.87%**	**(5.27)**	**89.88%**	**226.43**
	Balance as at 31st March 2020	87.58%	1190.47	101.32%	-2083.48	100.00%	(39.65)	101.29%	(2123.13)
Joint ventures (investment as per the equity method of accounting)									
Indian									
1	**Indian Additives Limited**								
	Balance as at 31st March 2021	**12.32%**	**198.51**	**9.94%**	**25.57**	1.13%	**(0.06)**	**10.13%**	**25.51**
	Balance as at 31st March 2020	13.16%	178.92	-1.32%	27.08	0.00%	-	-1.29%	27.08
2	**National Aromatics and Petrochemical Corporation Limited**								
	Balance as at 31st March 2021	**-0.63%**	**(10.13)**	**0.00%**	**(0.01)**	-	-	-	-
	Balance as at 31st March 2020	-0.74%	(10.12)	-	-	-	-	-	-
Total	**Balance as at 31st March 2021**	**100.00%**	**1611.20**	**100.00%**	**257.26**	**100.00%**	**(5.33)**	**100.00%**	**251.93**
	Balance as at 31st March 2020	100.00%	1359.27	100.00%	(2056.40)	100.00%	(39.65)	100.00%	(2096.05)

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-2021	31-Mar-2021
2	Date on which the Associate or Joint Venture was associated or acquired	13-Jul-89	10-May-89
3	Shares of Associate / Joint Ventures held by the company on the year end		
	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	198.51	(10.13)
7	Profit / (Loss) for the year		
	I) Considered in Consolidation	25.57	(0.01)
	II) Not Considered in consolidation	25.57	(0.01)

for and on behalf of Board of Directors

(Rajeev Ailawadi)
Director (Finance) & Managing Director i/c
DIN - 07826722

(S. Krishnan)
Director (Operations)
DIN - 08691391

(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 : 2102201AAADU9492

For SREEDHAR SURESH & RAJAGOPALAN LLP
Chartered Accountants
(FRN: 003957S / S200145)

K. Sreedhar
Partner
Membership No. 024314
UDIN : 21024314AAAAAM2182

Place : Chennai
Date : 28-Apr-2021

भारतीय लेखापरीक्षा एवं लेखा विभाग
कार्यालय महानिदेशक वाणिज्यिक लेखापरीक्षा, चेन्नै

Indian Audit and Accounts Department
Office of the Director General of Commercial Audit, Chennai

सत्यमेव जयते

No: DGCA/CA-I/4-448/2021-22/ 108 **Date: 22.06.2021**

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 2021

The preparation of financial statements of Chennai Petroleum Corporation Limited for the year ended 31 March 2021 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 Audit Report dated 28 April 2021.

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 2021 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.

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

Place : Chennai
Date :22.06.2021

भारतीय लेखापरीक्षा एवं लेखा विभाग
कार्यालय महानिदेशक वाणिज्यिक लेखापरीक्षा, चेन्नै

Indian Audit and Accounts Department
Office of the Director General of Commercial Audit, Chennai

सत्यमेव जयते

No: DGCA/CA-I/4-448/2021-22/ 108 **Date: 22.06.2021**

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 2021

The preparation of consolidated financial statements of Chennai Petroleum Corporation Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under theCompanies 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 28 April 2021.

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 2021 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

Place : Chennai
Date: 22.06.2021

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.

54th AGM -Chairman's address

Joint Secretary (Refineries) in discussion with officials of CPCL

Parliamentary Committee on Labour

Webinar on Skill development in Refining industry and Renewable Energy industry

Mrs Sobha Surendran , independent Director in discussion with Officials of CPCL

Mr. Sukh Ram Meena , Government Director in discussion with officials of CPCL

Mr.S.N.Pandey, the then MD, inaugurating Vigilance Awareness week

Saksham 2021 - Inaugural Function

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