



चेन्नई पेट्रोलियम कॉर्पोरेशन लिमिटेड
(इंडियन ऑयल की ग्रुप कम्पनी)

Chennai Petroleum Corporation Limited

(A group company of IndianOil)



Rising to the Challenge

53rd Annual Report 2018-19

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 stake holders wealth



TABLE OF CONTENTS

Corporate Information	02
Board of Directors	03
Executives	04
Ten Years Profile	05
Notice	07
Report on Corporate Governance	14
Directors' Report 2018-19	34
Annexure - I (Dividend Distribution Policy)	49
Annexure - II (Energy Conservation, Technology Absorption and Foreign Exchange Earnings)	50
Annexure - III (SC/ST/OBC Report - I & II)	52
Annexure - IV (Annual Report on CSR Activity)	53
Annexure - V (Compliance Certificate on Corporate Governance)	58
Annexure - VI (Management Discussion and Analysis)	59
Annexure - VII (Business Responsibility Report 2018-19)	63
Annexure - VIII (Form No. MR-3)	75
Annexure - IX (Related Party Disclosures)	78
Annexure - X (Form No. MGT 9)	82
Independent Auditors' Report (Standalone Financial Statements)	93
Standalone Balance Sheet	101
Standalone Statement of Profit and Loss	102
Standalone Statement of Changes in Equity	103
Standalone Statement of Cash Flows	104
Notes forming part of the Standalone Financial Statements	106
Independent Auditors' Report (Consolidated Financial Statements)	160
Consolidated Balance Sheet	166
Consolidated Statement of Profit and Loss	167
Consolidated Statement of Changes in Equity	168
Consolidated Statement of Cash Flows	169
Notes forming part of the Consolidated Financial Statements	171
Comments of the Comptroller and Auditor General of India (Standalone Financial Statements)	229
Comments of the Comptroller and Auditor General of India (Consolidated Financial Statements)	230
E-Communication Registration Form	231
Attendance Slip	233
Location Map	234
Proxy Form	235



Corporate Information

REGISTERED OFFICE

No. 536, Anna Salai, Teynampet,
Chennai – 600 018.
Phone: 044-24349833

REFINERIES

Manali Refinery, Manali,
Chennai – 600 068.
Phone: 044-25944000

Cauvery Basin Refinery

Panangudi Village, Nagapattinam District
Tamil Nadu
Phone: 04365-256700
Mail id: sld@cpcl.co.in
Website: www.cpcl.co.in

REGISTRAR & TRANSFER AGENT

M/s. Karvy Fintech Private Limited

Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial
District, Nanakramguda, Hyderabad – 500 032.
Phone: 040-67162222
Mail id: einward.ris@karvy.com
Website: www.karvyfintech.com

PRINCIPAL BANKER

State Bank of India

Corporate Accounts Group Branch, Egmore,
Chennai – 600 006.
Phone: 044-28576176

PUBLIC INFORMATION OFFICER

Mr. C.K. Ravikumar,
Dy. General Manager (Corporate Communications)
Phone: 044-24340367

COMPLIANCE OFFICER

Mr.P.Shankar
Company Secretary
Phone: 044-24346807

AUDITORS

Padmanabhan Ramani & Ramanujam Chartered Accountants

1F, Arudhra, No.15, Habibullah Road,
T.Nagar, Chennai – 600017.
Phone: 044-45502181
Mail id: prrfca@gmail.com

S. Viswanathan LLP

Chartered Accountants

No.17, Bishop Wallers Avenue (West)
Mylapore, Chennai – 600 004.
Phone: 044-24991147/24994423
Mail id: vck@sviswallp.in
Website: www.sviswallp.in

COST AUDITORS

M/s. M. Krishnaswamy & Associates, Cost Accountants,

Flat 1K, Ramaniyam Ganga,
Plot No. 27-30, First Avenue,
Ashok Nagar, Chennai – 600083.
Phone: 044-23710069
Mail id: mahalingamkrishnaswamy@gmail.com
Website: www.gica.in

SECRETARIAL AUDITOR

M/s.S.Sandeep & Associates

No.20, 'F'Block, Ground Floor, Gemini Parsn Apts,
New No.448, Old No. 599, Cathedral Garden Road
(Behind Hotel Palmgrove), Anna Salai, Chennai – 600 006.
Phone: 044-43057999
Mail id: sandeep@sandeep.cs.in
Website: www.sandeep.cs.in

STOCK EXCHANGES

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

BSE Ltd

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

DEBENTURE TRUSTEE

Allahabad Bank

Corporate Office:

Allahabad Bank Bldg;
No.37, Mumbai Samachar Marg, Fort, Mumbai – 400 023
Phone : 022-22631997

Board of Directors



Mr. Sanjiv Singh
Non-Executive Chairman



Mr.S.N.Pandey
Managing Director



Mr.G.Aravindan
Director(Operations)



Mr.Rajeev Ailawadi
Director(Finance)



Mr.R.Srikanthan
Director(Technical)



Mr.B.V. Rama Gopal
Director (Refineries) IOC Limited
[Upto 31.07.2019]



Ms. Perin Devi
Government Nominee Director



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



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



Mr.Mrutunjay Sahoo
Independent Director



Dr.P.B.Lohiya
Independent Director



Mr.D.Duraiganesan
Independent Director



Executives

Mr. J.T.Venkateswarlu

Chief Vigilance Officer

Mr. B. Panneerselvam

Chief General Manager (Operations)

Mr. P. Subrahmanyam

Chief General Manager (Corporate Planning)

Mr.G.Sureshkumar

Chief General Manager (Projects and Development/R&D- Upto 30.06.2019)

Mr. Tarlana Kamaraju

Chief General Manager (Logistics)

Mr. M. Sankaranarayanan

Chief General Manager (HR & Legal)

Mr. S. Krishnan

Chief General Manager (Maintenance)

Mr. K. Venkatesan

Chief General Manager (Technical)

Mr. V. Shankar

Chief General Manager (CBR- 9 MMTPA)

Mr. M.S. Raghunathan

Chief General Manager (Finance)

Mr. P. Jeevankumar

Chief General Manager (Projects and Development/R&D - from 01.07.2019)

Mr. P. Shankar

Company Secretary

Ten Years Profile

WHAT WE OWE AND WHAT WE OWN

(₹ in Crore)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
What We Owe										
Equity Share Capital	149	149	149	149	149	149	149	149	149	149
Reserves	3313	3617	3644	1877	1573	1506	2212	3165	3708	3161
Networth	3462	3766	3793	2026	1722	1655	2361	3314	3857	3310
Borrowings	4078	4223	3672	5906	5600	5399	3567	4501	3411	6168
Preference Share Capital	-	-	-	-	-	-	1000	1000	1080	500
Total Borrowings	4078	4223	3672	5906	5600	5399	4567	5501	4491	6668
Deferred Tax Liability	576	604	638	707	703	-	-	24	206	121
Total	8116	8593	8103	8639	8025	7054	6928	8839	8554	10099
What We Own										
Fixed Assets	5445	6246	6886	8056	8166	8176	4379	4456	6829	8341
Less: Depreciation	2536	2828	3185	3499	3882	4106	265	578	940	1387
Fixed Assets (Net WDV)	2909	3418	3701	4557	4284	4070	4114	3878	5889	6954
Intangible Assets	38	42	48	48	49	49	6	7	28	28
Less: Amortisation	18	25	33	37	41	42	1	2	3	5
Intangible Assets (Net WDV)	20	17	15	11	8	7	5	5	25	23
Capital WIP	1281	1156	1019	176	364	840	1753	2843	1439	1221
Investments	23	23	24	24	25	25	12	12	12	12
Working Capital	3883	3979	3344	3871	3344	2112	1044	2101	1190	1889
Total	8116	8593	8103	8639	8025	7054	6928	8839	8554	10099

FINANCIAL INDICATORS

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Debt Equity Ratio	1.18	1.12	0.97	2.91	3.25	3.26	1.93	1.66	1.16	2.01
Earnings per share (₹)	40.51	34.35	4.15	(118.65)	(20.40)	(2.62)	49.82	69.15	61.31	(14.33)
Profit After Tax to Average Networth (%)	18.48	14.15	1.64	(60.72)	(16.21)	(2.31)	36.94	36.29	25.46	(5.95)
Dividend (%)	120	120	20	-	-	-	40	210	185	-
Dividend Payout (%)	29.62	34.93	48.17	-	-	-	8.03	30.37	30.18	-



WHAT WE EARNED AND WHAT WE SPENT

(₹ in Crore)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
WHAT WE EARNED										
Income										
Turnover	29184	38128	45385	46842	53924	47878	34954	40586	44135	52177
Interest	23	28	44	12	14	26	16	16	19	29
Miscellaneous Receipts	212	88	41	29	45	29	38	46	73	54
Change in Inventories	658	447	537	205	72	(1321)	(209)	(105)	607	410
Prior Period Income/ (Expenses)	-	-	(9)	(1)	13	(4)	-	-	-	-
Sub-Total	30077	38691	45999	47087	54068	46608	34799	40543	44834	52670
WHAT WE SPENT										
Expenditure										
Raw Materials	23951	31557	39731	42709	47469	39558	23107	24442	29728	39634
Excise Duty	4257	5026	4630	3996	4583	6010	9125	12916	11661	10863
Manufacturing Expenses	273	217	224	296	306	277	310	315	322	448
Employee Benefits Expenses	272	240	253	315	292	339	357	513	582	461
Other Expenses	236	319	705	625	791	536	515	378	418	688
Finance Costs	137	254	249	469	568	404	352	273	321	420
Depreciation and Amortisation	267	314	365	375	390	226	274	279	340	453
Impairment on Property, Plant and Equipment/ CWIP	-	-	-	-	-	-	-	62	4	1
Sub-Total	29393	37927	46157	48785	54399	47350	34040	39178	43376	52968
Profit Before Tax	684	764	(158)	(1698)	(331)	(742)	759	1365	1458	(298)
Provision for Taxation	81	252	(220)	69	(27)	(703)	17	335	545	(85)
Profit After Tax	603	512	62	(1767)	(304)	(39)	742	1030	913	(213)
Other Comprehensive Income	-	-	-	-	-	-	(2)	(6)	6	(2)
Total Comprehensive Income	603	512	62	(1767)	(304)	(39)	740	1024	919	(215)
Dividend	179	179	30	-	-	-	60	313	275	-
Dividend Distribution Tax	30	29	5	-	-	-	12	64	57	-

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

Ratio	2017-18	2018-19	Change in %
Interest Coverage Ratio	5.54	0.29	-95%
Debt Equity Ratio	1.16	2.01	-73%
Operating Profit Margin (%)	4.37	-0.86	-120%
Net Profit Margin (%)	2.81	-0.52	-118%
Return On Net Worth	0.24	-0.06	-127%



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/ sld@cpcl.co.in

Tel: 044-24349833 / 24346807

CIN: L40101TN1965GOI005389

Notice

Notice is hereby given that 53rd Annual General Meeting of the members of CPCL will be held **at Kamaraj Arangam, 498, Anna Salai, Chennai 600 006 at 3.00 pm on Wednesday, the 21st August 2019** to transact the following businesses:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Financial Statement (Standalone and Consolidated) of the Company for the period from 1st April 2018 to 31st March 2019, together with the Director's Report and the Auditor's Report.
2. To appoint a Director in place of Mr G.Aravindan (DIN 07992886), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mrs Perin Devi (DIN 7145051), who retires by rotation and being eligible, offers herself for reappointment.

SPECIAL BUSINESSES:

4. APPOINTMENT OF MR.R.SRIKANTHAN (DIN 08198470) 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.R.Srikanthan (DIN 08198470) who was appointed as an Additional Director and designated as Director(Technical) by the Board of Directors w.e.f. 25.08.2018 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."

5. APPOINTMENT OF MR.D.DURAIGANESAN (DIN 08200628) AS AN INDEPENDENT DIRECTOR

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

"RESOLVED that pursuant to the provisions of Section 161(1), 149 & 152 and other applicable provisions of the Companies

Act, 2013 read with Rules made thereunder including any statutory modifications or re-enactment thereof for the time being in force, the Articles of Association of the Company and Regulation 17 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, Mr.D.Duraiganesan (DIN 08200628), who was appointed as an Additional Director and designated as an Independent Director by the Board of Directors w.e.f. 25.08.2018 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a period of 3 years from the date of appointment by the Board, not liable to retire by rotation."

6. RATIFICATION OF REMUNERATION OF COST AUDITOR FOR THE YEAR 2019-20

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

"RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof, for the time being in force], the remuneration of ₹ 2,50,000 /- (Rupees Two lakh fifty thousand only) plus applicable taxes and out of pocket expenses if any, to conduct the audit of cost accounts maintained by the company for the financial year 2019-20 payable to M/s.Vivekanandan Unni & Associates, Cost Accountants, Chennai, the cost auditor of the company be and is hereby ratified."

7. INCREASING THE BORROWING POWERS OF THE COMPANY FROM ₹ 8000 CRORE TO ₹ 10,000 CRORE

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 through postal ballot on 20.07.2015 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 ₹ 10,000 crore (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."

8. CHARGING/ MORTGAGING THE MOVABLE/ IMMOVABLE 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 through postal ballot on 20.07.2015 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 movable / immovable 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."

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: 29.06.2019
Place: Chennai

Notes:-

- 1) A member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of himself.
- 2) The proxy need not be a member of the Company.
- 3) As per the provisions of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the company

carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.

- 4) The instrument of Proxies, in order to be effective, must be lodged at the Registered Office of the Company not later than 48 hours before the time of holding the meeting.
 - 5) Members / Proxies/Authorised Representatives are requested to bring the attendance slip duly filled and signed along with copy of Annual Report to the meeting.
 - 6) Members, who hold shares in the dematerialised form, are requested to bring their depository account number for identification at the time of Annual General Meeting.
 - 7) The Register of Members and the Share Transfer Books of the Company will remain closed **from Wednesday, the 14th August 2019 to Wednesday the 21st August 2019 (both days inclusive)**.
 - 8) A statement setting out the material facts in respect of resolutions set out under "Special Businesses" of the Notice pursuant to Section 102(1) of the Companies Act, 2013 is annexed hereto.
 - 9) 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 depository 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.
 - 10) Non-resident Indian members are requested to inform the RTA, M/s. Karvy Fintech 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.
 - 11) 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 Karvy Fintech Private Limited, Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad – 500032 or at the registered office of the Company.
 - 12) 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.Karvy Fintech Private Limited, the Share Transfer Agents of the Company.
 - 13) 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 2010-11, to Investor Education & Protection Fund (IEPF) established by the Central Government.
- Further, Section 124(6) of the Companies Act, 2013 read with rules made thereunder provide that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of Investor Education and Protection Fund. The Company had sent reminder letters to all such shareholders, whose dividend had remained unclaimed for a consecutive period of 7 years i.e., 2010-11 to 2017-18, with a request to claim the dividends, failing which the shares would be transferred to the IEPF Authority on the due date. Thereafter such shares were transferred to IEPF in November 2018. The details of such shares were also hosted in the website of the Company www.cpcl.co.in
- It would be noted that upon completion of 7 years, the Company would transfer the unclaimed dividend for the financial year 2011-12 in October, 2019. Further the shares, in respect of which the dividend has remained unclaimed for a consecutive period of 7 years i.e., from FY 2011-12 to FY 2018-19, would also be transferred to IEPF in Oct/Nov 2019. The details of such unclaimed dividends as well as shares liable to be transferred to IEPF will be hosted on the website of the company at www.cpcl.co.in. No dividend was declared for the financial year 2008-09, 2012-13, 2013-14 and 2014-15. The dividend for the financial year 2011-12, 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 2011-12, 2015-16, 2016-17 and 2017-18 may write to the RTA, M/s. Karvy Fintech Private Limited, Hyderabad or at the registered office of the Company for claiming the unpaid dividend.
- Further, Section 125 of the Companies Act, 2013 provides that a shareholder whose dividend amount / shares have been transferred to the IEPF shall be entitled to claim refund therefrom. The procedure for claiming the unclaimed dividend amount and shares transferred to the IEPF is provided on the following link <https://www.cpcl.co.in/IEPF>.



- 14) SEBI vide circular dated 5th December 2018 has directed that no transfer of shares in physical form would be permitted w.e.f. 1st April 2019. Accordingly members holding shares in physical form are requested to dematerialise their share certificates.
- 15) As per the provisions of the Companies Act, 2013, members are entitled to make nomination in respect of shares held by them in physical form. Nomination form can be downloaded from the website of the company at www.cpcl.co.in. Shareholders holding shares in Demat form may contact their Depository Participant for nomination.
- 16) 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 53rd Annual General Meeting.
- 17) The relevant documents are available for inspection by the members at the Registered Office of Company at any time during the working hours till the date of meeting.
- 18) Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with Rules made thereunder, the Annual Report 2018-2019, Notice of the 53rd AGM and instructions for e-voting alongwith the Attendance Slip and Proxy Form are being sent by electronic mode only to those members whose email addresses are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, **abridged version of physical copies of the Annual Report 2018-2019, are being sent by the permitted mode.** Members holding shares in physical form can send their email address for registration to einward.ris@karvy.com / mohsin.mohd@karvy.com quoting the Folio Number and Name of the Company.
- 19) The Annual Report, **both abridged and full version** is available on the Company's Website at www.cpcl.co.in.
- 20) In terms of Section 108 of Companies Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 the Company is providing the facility to its members to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice. **The cut-off date to be eligible to vote is Tuesday, the 13th August 2019.**
- 21) Facility for e-voting:
- i) Details of the process and manner of e-voting along with the User ID and Password are being sent to the members along with the notice:
- By email to those members whose email ID is registered with the Company / Depository Participant.
 - By post to those members whose email ID is not registered with the Company / Depository Participant.
- ii) The instructions and other information relating to e-voting are as under:
- Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - Enter the login credentials (i.e. User ID and Password mentioned in the notice). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for logging in.
 - After entering these details appropriately, Click on "LOGIN".
 - You will now reach 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.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - You need to login again with the new password.
 - On successful login, the system will prompt you to select the "EVENT" i.e. Chennai Petroleum Corporation Limited.
 - On the voting page, enter the number of shares (which represents the number of votes as on the Cut Off date) under "FOR / AGAINST / ABSTAIN" or alternatively, you may partially enter any number of votes in "FOR" and partially in "AGAINST" such that the total number of votes cast "FOR/ AGAINST" taken together should not exceed your total shareholding. In case you do not wish to cast your vote you may choose the option "ABSTAIN".
 - Voting has to be done for each item of the Notice separately. In case you do not cast your vote on any specific item it will be treated as abstained.
 - Members holding multiple demat accounts / folios shall choose the voting process separately for each demat account / folio.
 - You may then cast your vote 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. During the voting period, members can login any number of times till they have voted on the Resolution(s).
- Corporate / Institutional members are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email ID: lbandco.cs@gmail.com, with a copy marked to evoting@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format “CPCL, 53rd Annual General Meeting”.
- The e-voting would commence **on Saturday, the 17th August 2019 at 9:30 A.M. and end on Tuesday, the 20th August 2019 at 05.00 P.M.** During this period, the eligible members of the Company may cast their vote by electronic means in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter. Further, members who cast their vote electronically shall not be entitled to vote at the Annual General Meeting.
- Facility for voting through ballot paper would also be made available at the AGM venue. Members who cast their votes electronically should not vote through ballot paper. However, in case a member votes electronically as well as through ballot paper, the vote cast through ballot paper will be ignored.
- In case of any query pertaining to e-voting, please visit Help & FAQ’s section of <https://evoting.karvy.com>.
- 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.
- The Company has appointed M/s. LB & Co. Company Secretaries, as Scrutinizer to scrutinize the e-voting and poll process in a fair and transparent manner.
- The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in the employment of the Company and submit not later than 48 hours of conclusion of the meeting, a consolidated scrutiniser’s report of the total votes cast in favour or against if any, to the Chairman of the Company or such other officer authorized by the Chairman.
 - 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.
 - The results of voting along with the Scrutinizer’s Report(s) thereon would be available on the website of the Company (www.cpcl.co.in) and on Service Provider’s website (<https://evoting.karvy.com>) immediately after the declaration of the results and would also be communicated simultaneously to the BSE Limited and the National Stock Exchange of India Limited.

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

Item No. 4

Mr.R.Srikanthan, was re-appointed as an Additional Director with effect from 25.08.2018. As per the provisions of Section 161 of the Companies Act, 2013, Mr. R.Srikanthan will hold office only upto the date of the 53rd Annual General Meeting of the Company.

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

Mr.R.Srikanthan 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.R.Srikanthan.

Mr.R.Srikanthan is not disqualified from being appointed as 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.

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

Item No.5

Mr.D. Duraiganesan was re-appointed as an Additional Director and designated as Independent Director with effect from 25.08.2018. As per the provisions of Section 161 of the Companies Act, 2013, Mr.D.Duraiganesan will hold office only upto the date of the 53rd Annual General Meeting of the Company.



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

Mr.D.Duraiganesan 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.D.Duraiganesan.

The Company has received a declaration from Mr. D.Duraiganesan that he meets the criteria of independence as prescribed under Section 149(6) of the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. D.Duraiganesan is not disqualified from being appointed as 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.

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

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

Item No. 6

The proposal for appointment of M/s.Vivekanandan Unni & Associates, Cost Accountants, Chennai as the Cost Auditor of the Company for the Financial Year 2019-20 at a remuneration of ₹ 2,50,000/- plus applicable taxes and out of pocket expenses, if any, to conduct the audit of cost accounts maintained by the company was recommended by the Audit Committee and the Board at the Meeting held on 27.03.2019.

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

Hence the present resolution for remuneration of ₹ 2,50,000/- plus applicable taxes and out of pocket expenses, if any, to conduct the audit of cost accounts maintained by the company for the Financial Year 2019-20 payable to M/s.Vivekanandan Unni & Associates, Cost Accountants, Chennai, the cost auditors of the company is proposed for ratification by the members.

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

Memorandum of Interest:

None of the Directors, Key Managerial Personnel and their relatives are interested in the resolution except the cost auditor.

Item No. 7 and 8:

The current level of long-term rupee borrowings as of 31.03.2019 is at ₹ 1,742 Crore and the current level of short term borrowings as of 31.03.2019 is at ₹ 4,868 Crore totaling to ₹ 6,610 Crore as against the approved limit of ₹ 8,000 Crore. The aggregate of paid up capital and free reserves as on 31.12.2018 is ₹ 3340 Crore.

The short term borrowings of the company have undergone frequent revision on account of the upward movement of crude prices. The global oil prices have witnessed a sharp rise over the last few years and are still ruling at very high levels. The average CPCL basket of crude oil has increased from \$46.48bbl in 2015-16 to \$69.71bbl in 2018-19 and further to \$70.64bbl in April 2019. Consequently, the requirement of funds for working capital purpose has enhanced substantially. The estimated requirement of funds for meeting the working capital works out to ₹ 720 Crore

Presently, the company is implementing BS VI and RLNG projects at a cost of ₹ 1,858 Crore and ₹ 421 Crore respectively. The RESID Upgradation Project, with an approved outlay of ₹ 3,110 Crore has been commissioned recently, totaling a Capex of ₹ 5618 Crore in a span of 5 years. Further, the proposal for setting up a new 9 MMTPA Refinery at Cauvery Basin Refinery, Nagapattinam is being put up to the Board for consideration. The approved cost for Detailed Feasibility Study activities is ₹ 398 Crore. Also, till the funding plan is finalized and approved, the expenditure with regard to project activities needs to be 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 ₹ 8,000 Crore to an overall borrowing limit of ₹ 10,000 Crore, which would include cash credit facility extended by the Company's Bankers and to create charge / mortgage the movable / immovable properties of the Company for the borrowings.

The proposal to increase the borrowing limits from ₹ 8000 crore to ₹ 10,000 crore and for creating charge / mortgage the movable / immovable 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 nos. 7 and 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 53rd ANNUAL GENERAL MEETING

1. Mr.G.Aravindan born on 12.02.1960, was appointed as Director (Operations) w.e.f. 30.01.2018. He holds a Bachelor's

Degree in Technology and Masters Degree in Business Administration from the University of Madras. He has more than three decades of experience in the areas of Refinery Operations.

Mr.G. Aravindan is the member of Risk Management Committee, CSR & SD Committee, Board Project Committee and Planning & Projects Committee. He is holding 200 shares in the Company. Inter-se relationship between Directors is none.

Number of Board Meeting attended during 2018-19	:	8
Details of Directorships in other companies	:	2
Membership / Chairmanship in the Committees of other companies	:	-
No. of Shares held in the company as on date	:	200
Relationship between Directors and Key Managerial Personnel - None		

2. Mrs.Perin Devi born on 13.10.1965, was appointed as a Director on the Board of CPCL w.e.f. 24.11.2017. She holds a Masters Degree in Commerce. Presently she is Director in Ministry of Petroleum and Natural & Gas, Government of India.

Mrs.Perin Devi is the member of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, CSR&SD Committee and Board Project Committee. She is not holding any shares in the company. Inter-se relationship between Directors is none.

Number of Board Meeting attended during 2018-19	:	7
Details of Directorships in other companies	:	1
Membership / Chairmanship in the Committees of other companies	:	4
No. of Shares held in the company as on date	:	-
Relationship between Directors and Key Managerial Personnel - None		

- 3) Mr. R.Srikanthan, born on 20.09.1960, was appointed as Director (Technical) w.e.f. 13.08.2018. He holds a Bachelor's Degree in Chemical Engineering from Indian Institute of Technology, Delhi and a Post Graduate Diploma in Management from Indian Institute of Management, Bangalore. He has more than three decades of experience

in CPCL covering the areas of Project, Development, Operations, Production Planning, Process Engineering, etc.,

Mr.R.Srikanthan is the member of Risk Management Committee, CSR & SD Committee, Stakeholders Relationship Committee, Board Project Committee and Planning & Projects Committee. He is holding 100 shares in the Company. Inter-se relationship between Directors is none.

Number of Board Meeting attended during 2018-19	:	4
Details of Directorships in other companies	:	-
Membership / Chairmanship in the Committees of other companies	:	-
No. of Shares held in the company as on date	:	100
Relationship between Directors and Key Managerial Personnel- None		

- 4) Mr.D.Duraiganesan, born on 02.06.1961 was appointed as independent Director on the Board of the Company w.e.f. 14.08.2018. He holds a Masters Degree in Arts and Diploma in Saiva Siddhanta. He is a Social Worker.

Number of Board Meeting attended during 2018-19	:	4
Details of Directorships in other companies	:	-
Membership / Chairmanship in the Committees of other companies	:	-
No. of Shares held in the company as on date	:	-
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 : 29.06.2019
Place : Chennai



Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

CPCL firmly believes that sound Corporate Governance is critical in enhancing and retaining investor trust and it is a reflection of the Company's culture, policies, relationship with stakeholders and its commitment to values. The Board of CPCL exercises its fiduciary duties and responsibilities aimed towards protecting the interest of the company and all its stakeholders.

CPCL continuously strives to enhance long-term shareholder value and respect minority rights in all its business decisions and has put in place transparent management processes for development of policies, their implementation and review. CPCL has a well-defined governance framework which is reflected in the following policies formulated by the Company:

- Code of Conduct for Board Members and Senior Management personnel;
- Insider Trading Code;
- Human Resource initiatives.
- CSR&SD Policy;
- Whistle-Blower Policy.
- Policy on related party transactions
- Policy for determination of material / price sensitive information
- Policy for preservation of documents;
- Dividend Distribution Policy
- Risk Management Policy;
- Integrity Pact;
- Conduct, Discipline and Appeal Rules for Employees;

The above policies have been posted on the website of the company and can be accessed at <https://www.cpcl.co.in/policies>.

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 Business, Administration, Medicine, Philosophy, 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 31.03.2019, CPCL Board comprises of the following categories of Directors:

One Non-Executive Chairman, who is the Chairman of Indian Oil Corporation Limited (the Holding Company); Managing Director; Three whole-time Functional Directors, viz., Director (Operations), Director (Finance) and Director (Technical); Director (Refineries) of Indian Oil Corporation Limited, representing holding company; One Woman Director, representing Ministry of Petroleum & Natural Gas, Government of India; Two Directors nominated by Naftiran Intertrade Company Limited, an affiliate of National Iranian Oil Company, one of the co-promoters, in terms of the Formation Agreement and Three Non-Executive Part-Time Independent Directors.

The details are as under:

Sl. No.	Name	Category	Designation	Date of appointment	Tenure upto
1.	Mr. Sanjiv Singh	Non-Executive	Non-Executive Chairman	03.07.2014	30.06.2020
2.	Mr. S.N. Pandey	Whole-time Director	Managing Director	01.02.2018	31.01.2021
3.	Mr. G. Aravindan	Whole-time Director	Director (Operations)	30.01.2018	29.02.2020
4.	Mr. Rajeev Ailawadi	Whole-time Director	Director (Finance)	08.05.2018	28.02.2023
5.	Mr. R. Srikanthan	Whole-time Director	Director (Technical)	13.08.2018	30.09.2020
6.	Mr. B.V. Rama Gopal	Non-Executive Director	Nominee of IOCL	05.04.2018	31.07.2019
7.	Mrs. Perin Devi	Government nominee Director	Director, MOP&NG	24.11.2017	For a period of 3 years on co-terminus basis or until further orders whichever is earlier
8.	Mr. Mohammad Bagher Dakhili	Non-Executive Director	Nominee of NICO	23.01.2017	Till further orders from NICO
9.	Mr. Babak Bagherpour	Non-Executive Director	Nominee of NICO	27.03.2019	Till further orders from NICO
10.	Mr. Mrutunjay Sahoo	Non-Executive Director	Independent Director	23.02.2017	3 years
11.	Dr. P.B. Lohiya	Non-Executive Director	Independent Director	23.02.2017	3 years
12.	Mr. D. Duraiganesan	Non-Executive Director	Independent Director	14.08.2018	3 years

Out of the total number of twelve Directors as on 31.03.2019, Eight Directors were Non-Executive Directors. Thus the Company meets the requirement of the number of Non-Executive Directors being not less than 50% of the Board of Directors of the Company as prescribed by SEBI under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Presently, the Company has three Independent Directors as against the requirement of 9 and one Woman Director, who is a nominee of Ministry of Petroleum and Natural Gas, Government of India. 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 17A 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 terms and conditions of appointment of Independent Directors are hosted on the website of the Company www.cpcl.co.in

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

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



c) BOARD MEETINGS:

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

d) INFORMATION PLACED BEFORE THE BOARD:

Presentations are made to the Board on physical, financial, safety, projects and other areas of the company. The agenda placed before the Board inter-alia includes the following:

- Capital and Revenue Budget
- Memorandum of Understanding with Indian Oil Corporation Limited, the Holding Company
- MoU Evaluation report
- Quarterly and Annual Financial results
- Constitution of Board Committees with terms of reference
- Dividend declaration
- Minutes of the Meetings of the Sub-Committees of the Board
- New Project Proposals
- Safety and Security related matters
- Significant developments between two Board Meetings
- Status of the various Plan and Non-Plan Projects
- Action Taken Report on the Risk Management Policy
- HR related issues
- Quarterly Periodic Performance Reports on Manpower, Investment, Borrowings, Cash Flow Statement, Plan and Non-Plan control reports

- General Notices / matters of Interest of Directors
- Secretarial Audit Report, Corporate Governance Report and Share Capital Audit Report
- Report on Share Transfers, Transmissions, Issue of Duplicate Share Certificates and Status of Investor Grievances
- Compliance of applicable laws
- Action Taken Report on the decisions of the Board.

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

e) Eight Board meetings were held during the year 2018-19 on the following dates:

Board Meeting No.	Board Meeting Date	Board strength	Number of Directors present
322	05.04.2018	10	7
323	10.05.2018	11	10
324	27.06.2018	11	7
325	30.07.2018	11	8
326	24.08.2018	12	11
327	29.10.2018	12	10
328	28.01.2019	12	11
329	27.03.2019	12	10

f) Attendance of Directors at the Board Meetings held during the financial year 2018-19 and at the last Annual General Meeting held on 24.08.2018; 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 24.08.2018 (YES/NO/NA)	NO. OF DIRECTORSHIP IN OTHER COS. AS ON 31.03.2019	MEMBERSHIP OF COMMITTEES IN OTHER COS. INCL. CPCL AS ON 31.03.2019	CHAIRMANSHIP OF COMMITTEES IN OTHER COS. INCL. CPCL AS ON 31.03.2019
Non-Executive Chairman					
Mr. Sanjiv Singh	7(8)	YES	1 (IOCL)	1 (NRC – IOCL)	1-RMC-IOCL
Whole-Time Directors					
Mr. S.N. Pandey, Managing Director	8(8)	YES	2 (IAL & AROCHEM)- Non-Executive	1-PPC-CPCL	1 (RMC – CPCL)
Mr. G. Aravindan, Director (Operations)	8(8)	YES	2 (IAL & AROCHEM)- Non-Executive	4 (RMC, BPC, PPC & CSR&SD – CPCL)	NIL
Mr. Rajeev Ailawadi, Director (Finance) (w.e.f 08.05.2018)	7(7)	YES	1 (IAL)- Non-Executive	6 (RMC, SRC, PPC, BPC & CSR&SD – CPCL) AC – IAL)	NIL
Mr. R. Srikanthan, Director (Technical) (w.e.f 13.08.2018)	4(4)	YES	NIL	4 (RMC, PPC, SRC & CSR&SD – CPCL)	NIL
Mr. U. Venkata Ramana, Director (Technical) (upto 31.07.2018)	4(4)	NA	NA	NA	NA
Part-Time Non-Executive Director (IOCL Nominee)					
Mr. B.V. Rama Gopal (w.e.f 05.04.2018)	6(8)	YES	2 (IOCL- Executive RRPL- Non-Executive)	3 (NRC, RMC – CPCL) (RMC – IOCL)	1-BPC
Independent Directors					
Mr. Mrutunjay Sahoo	6(8)	YES	1 (Suryoday Small Finance Bank – Non-Executive)	2 (RMC & BPC – CPCL)	2 (AC & NRC – CPCL)
Dr. P.B.Lohiya	7(8)	YES	NIL	2 (AC & NRC – CPCL)	2 (SRC & CSR&SD – CPCL)
Mr. D. Duraiganesan (w.e.f 14.08.2018)	4(4)	YES	NIL	NIL	NIL
Part-Time Non-Executive Director (Government Nominee)					
Mrs. Perin Devi	7(8)	YES	1 (Balmer Lawrie Investments Ltd. [BLI])- Non-Executive	5 (AC, NRC, SRC, BPC & CSR&SD – CPCL)	BLI-4 (AC, NRC, SRC & CSR&SD)
Part-Time Non-Executive Director (NICO Nominee)					
Mr. M.B. Dakhili	3(8)	NO	1 (Madras Fertilizers Ltd. [MFL])- Non-Executive	1 (CSR&SD – CPCL) 1 (AC – MFL)	1 (SRC – MFL)
Mr. Babak Bagherpour (w.e.f 27.03.2019)	1(1)	NA	1 (MFL)-Non-Executive	1 (SRC – CPCL)	NIL
Mr. Farzad Bahrami (Upto 27.03.2019)	2(7)	YES	1 (MFL)- Non-Executive	NIL	NIL

Note: 1) IAL stands for Indian Additives Ltd

2) AROCHEM stands for National Aromatics and Petrochemicals Corporation 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, Planning and Projects Committee and Board Project Committee (BPC).

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

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

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

Sl. No	Name of Director	Directorship in Listed entity
1	Mr. Sanjiv Singh	Chairman, Indian Oil Corporation Ltd
2	Mr. B.V.Rama Gopal	Director (Refineries), Indian Oil Corporation Ltd
3	Mrs. Perin Devi	Government Director, Balmer Lawrie Investments Ltd
4	Mr. Babak Bagherpour	Director, Madras Fertilisers Ltd
5	Mr. Mohammad Bagher Dakhili	Director, Madras Fertilisers Ltd

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

The Code of Conduct for Directors and Senior Management Personnel of the company has been laid down by the Board, which has been circulated to all the concerned and the same is also hosted in the website of the company www.cpcl.co.in. The Directors and Senior Management Personnel of the company have affirmed compliance with the provisions of the CPCL's code of conduct for the year ended 31.03.2019 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 330th Meeting held on 08.05.2019.

As required under Regulation 34 of SEBI (LODR) Regulations, 2015, the declaration in this regard is as under:

"This is to declare that all the Board Members and Senior Management Personnel of the Company have furnished the Annual Compliance Report affirming that they have fully complied with the provisions of the Code of Conduct for the Board Members and the Senior Management Personnel of the Company during the Financial Year ended 31.3.2019 and the same was informed to the Board at the 330th Meeting held on 08.05.2019".

S.N. PANDEY
MANAGING DIRECTOR

Place : Chennai

Date : 08.05.2019

h) SHAREHOLDINGS OF DIRECTORS:

Name of Director	Designation	Number of shares
Mr. G. Aravindan	Director (Operations)	200
Mr. R. Srikanthan	Director (Technical)	100
Mr. Mrutunjay Sahoo	Independent Director	1500

i) 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 31.03.2019 IS AS UNDER:

1. Mr. Mrutunjay Sahoo – Chairman
2. Dr. P.B. Lohiya – Member
3. Mrs. Perin Devi – Member

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

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for fixation of audit fees of statutory auditors.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Board's Report in terms of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Modified opinion in draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the Management the adequacy of the internal control systems.
7. Evaluation of internal financial controls and risk management systems
8. Approval of related party transactions.
9. Reviewing the adequacy of internal audit function, if any, including annual plan for internal audit, the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
10. Discussion with internal auditors any significant findings and follow up thereon.
11. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
12. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
13. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
14. To review the functioning of the Whistle-Blower Mechanism, in case the same is existing.
15. Review of cost audit report.
16. Reviewing with the management, the observations or comments, if any, of Comptroller & Auditor General of India.
17. Any other functions that may be assigned by the Board to the Audit Committee from time to time.

c) The details of Audit Committee Meetings held during the Financial Year 2018-19 and the Members present are given below:

ATTENDANCE AT MEETINGS HELD OUT OF TOTAL NUMBER OF MEETINGS								
MEMBERS PRESENT	10.05.2018	27.06.2018	30.07.2018	24.08.2018	29.10.2018	28.01.2019	27.03.2019	Total
Mr. Mrutunjay Sahoo	YES	YES	YES	LOA	YES	YES	YES	6/7
Dr. P.B. Lohiya	YES	YES	LOA	YES	YES	YES	YES	6/7
Mrs. Perin Devi	YES	YES	YES	YES	YES	YES	LOA	6/7

Note: LOA denotes Leave of Absence.



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

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

4. NOMINATION & REMUNERATION COMMITTEE:

a) CPCL being a Government Company, the appointment and terms and conditions of such appointment (including remuneration) is decided by the Government of India. However, the Board of Directors of the Company at the 262nd Meeting held on 27.07.2009 constituted a Remuneration Committee, in line with the DPE Guidelines dated 26.11.2008. The Independent Directors are not paid any remuneration except sitting fees for attending meetings of the Board or Committees thereof.

b) THE NOMINATION & REMUNERATION COMMITTEE AS ON 31.03.2019 COMPRISES OF THE FOLLOWING MEMBERS:

- Mr. Mrutunjay Sahoo – Chairman
- Dr. P.B. Lohiya – Member
- Mrs. Perin Devi – Member
- Mr. B.V. Rama Gopal – Member

Note: Mr. B.V.Rama Gopal was inducted as a member in place of Mr. S.M. Vaidya effective 05.04.2018.

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

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

5. Such other activities mandated by the Board from time to time.

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

d) THE DETAILS OF NRC MEETINGS HELD DURING THE FINANCIAL YEAR 2018-19 ARE AS UNDER:

Name of the member	ATTENDANCE AT THE MEETINGS HELD OUT OF TOTAL NUMBER OF MEETINGS			Total
	05.04.2018	27.06.2018	29.10.2018	
Mr.Mrutunjay Sahoo	LOA	YES	YES	2/3
Dr.PB.Lohiya	YES	YES	YES	3/3
Mrs.Perin Devi	YES	YES	YES	3/3
Mr.B.V.Rama Gopal	YES	LOA	YES	2/3

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 2018-19 is given below:

(₹ in Crore)

Name of the Director	Salaries & Allowances	Contribution to Provident Fund / Other Benefits		Total
		Superannuation Fund etc.		
Mr.S.N.Pandey	0.51	0.08		0.59
Mr.G.Aravindan	0.52	0.08		0.60
Mr.Rajeev Ailawadi (w.e.f 08.05.2018)	0.35	0.06		0.41
Mr.R.Srikanthan (w.e.f 13.08.2018)	0.37	0.09	0.02	0.48
Mr.U.Venkata Ramana (upto 31.07.2018)	0.17	0.03		0.20

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 2018-19 ARE GIVEN BELOW:

- Mr.Mrutunjay Sahoo – ₹ 6,00,000/- (Rupees Six Lacs only)
- Dr.P.B.Lohiya – ₹ 6,40,000/- (Rupees Six Lacs Forty Thousand only)
- Mr.D.Duraiganesan – ₹ 1,90,000/- (Rupees One Lakh Ninety Thousand only)

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

h) EVALUATION OF PERFORMANCE OF DIRECTORS:

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

5. STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC):

a) THE COMPOSITION OF THE COMMITTEE AS ON 31.03.2019 IS AS UNDER:

- Dr. P.B. Lohiya – Chairman

- Mrs. Perin Devi – Member
- Mr. Rajeev Ailawadi, Member
- Mr. R.Srikanthan – Member
- Mr. Babak Bagherpour – Member

Note:

- Mr. U. Venkata Ramana was a member till 31.07.2018; Mr.R.Srikanthan, Director (Technical) has been inducted as a member effective 13.08.2018.
- Mr. Farzad Bahrami was a member till 27.03.2019; Mr.Babak Bagherpour has been inducted as a member effective 27.03.2019.

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

b) THE DETAILS OF STAKEHOLDERS RELATIONSHIP COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2018-19 AND MEMBERS PRESENT ARE GIVEN BELOW:

Members Present	Attendance at the meetings held out of total number of meetings		Total
	30.07.2018	27.03.2019	
Dr.P.B.Lohiya	LOA	YES	1/2
Mrs.Perin Devi	YES	LOA	1/2
Mr.Rajeev Ailawadi	YES	YES	2/2
Mr.R.Srikanthan	NA	YES	1/1
Mr.U.Venkata Ramana	YES	NA	1/1
Mr.Babak Bagherpour (w.e.f 27.03.2019)	NA	YES	1/1
Mr.Farzad Bahrami (Upto 27.03.2019)	LOA	NA	0/1

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 2018-19:

During the year 988 queries, requests and complaints were received and all have been resolved. As on 31.03.2019, no complaints were pending.



The Company has created a designated email-id sld@cpcl.co.in exclusively for investor servicing and for responding to their queries.

6. COMMITTEE ON CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABLE DEVELOPMENT:

a) The Composition of Committee on CSR & SD as on 31.03.2019 is as follows:

- Dr.P.B.Lohiya – Chairman
- Mrs.Perin Devi – Member
- Mr.G.Aravindan – Member
- Mr.Rajeev Ailawadi – Member
- Mr.R.Srikanthan - Member
- Mr.M.B.Dakhili – Member

Note: Mr.U.Venkata Ramana was a member till 31.07.2018. Mr.R.Srikanthan was inducted as member of the CSR & SD Committee w.e.f 13.08.2018.

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 2018-19 ALONG WITH THE MEMBERS PRESENT ARE GIVEN BELOW:

Members Present	ATTENDANCE AT THE MEETINGS HELD OUT OF TOTAL NUMBER OF MEETINGS		Total
	10.05.2018	30.07.2018	
Dr.P.B.Lohiya	YES	LOA	1/2
Mrs.Perin Devi	YES	YES	2/2
Mr.G.Aravindan	YES	YES	2/2
Mr.Rajeev Ailawadi (w.e.f 08.05.2018)	YES	YES	2/2
Mr.R.Srikanthan (w.e.f 13.08.2018)	NA	NA	NA
Mr.M.B.Dakhili	LOA	YES	1/2
Mr.U.Venkata Ramana (Upto 31.07.2018)	YES	YES	2/2

LOA denotes Leave of Absence.

The CSR Policy is hosted on the website of the company on the link <https://www.cpcl.co.in/policies>. The CSR Report, as required under the Companies Act, 2013 for the year ended 31.03.2019 is annexed to the Board's Report.

7. RISK MANAGEMENT COMMITTEE (RMC):

- a) As per Regulation 21 (1) & (5) of SEBI (LODR) (Amendment) Regulations, 2015, the Board of Directors of every top 500 listed companies 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:
 - Managing Director – Chairman
 - Director (Operations) – Member

- Director (Finance) – Member
 - Director (Technical) – Member
 - Mr.Mrutunjay Sahoo – Member
 - Mr.B.V.Rama Gopal – Member
- 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 minimisation procedures on various internal risks like, financial risks, infrastructure requirement, raw water, reliability of equipment, human resources, legal and litigation risks, risks at Cauvery Basin Refinery 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
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. B.V. Rama Gopal – Chairman (w.e.f 05.04.2018) 2. Mr. Mrutunjay Sahoo – Member 3. Mrs. Perin Devi – Member 4. Director (Finance) – Member 5. Director (Technical) or Director (Operations), depending upon the proposal considered	3 (29.10.2018, 28.01.2019 & 27.03.2019)
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)	26

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

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

There have been no instances where any recommendation made by any Board Committee has not been accepted by the Board of CPCL during the year 2018-19.

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
07.09.2016	The Music Academy, 168, TTK Road, Royapettah, Chennai 600 014	03.00 pm	Nil
24.08.2017	Kamaraj Arangam, 498, Anna Salai, Chennai 600 006	03.00 pm	Nil
24.08.2018	Kamaraj Arangam, 498, Anna Salai, Chennai 600 006	03.00 pm	2

No Extraordinary General Meeting of the Members was held during the year 2018-19.



10. POSTAL BALLOT DETAILS:

No approval of shareholders was sought by means of Postal Ballot during 2018-19.

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

11. DISCLOSURES:

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

a) SEPARATE MEETING OF INDEPENDENT DIRECTORS:

One Separate Meeting of the Independent Directors as required under Regulation 25(3) of SEBI (LODR) Regulations, 2015 was held on 29.10.2018.

b) MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:

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

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

c) MATERIAL SUBSIDIARIES:

CPCL has no subsidiaries

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

NSE and BSE have imposed penalties for non-appointment of Independent Directors during the year.

CPCL has represented to the Stock Exchanges that the default is not an account of CPCL and requested for waiver of penalties.

e) VIGIL MECHANISM AND WHISTLE-BLOWER POLICY:

The Board of Directors of the Company at the 260th Meeting held on 24.03.2009, accorded approval for the implementation of the Whistle Blower

Policy in the Company. The Whistle Blower Policy was further amended by the Board at the meeting held on 08.05.2019 to enable employees to report instances of leakage of Unpublished Price Sensitive Information(UPSI). A copy of the Whistle Blower Policy is displayed in the Intra-net and website of the Company.

The Policy provides for the employees to report any improper activity resulting in violation of rules, laws, regulations or code of conduct by any of the employees to the competent authority or the Chairman of the Audit Committee. No personnel have been denied access to the Audit Committee.

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

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

Disclosure regarding compliance with Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 along with status of complaints received and disposed off during the year is as under:

Number of complaints filed during the Financial Year 2018-19	Nil
Number of Complaints disposed off during the Financial Year 2018-19	Nil
Number of Complaints pending as at end of the financial year	Nil

FEES PAID TO STATUTORY AUDITORS:

The statutory auditors of the company were paid a total fee of ₹ 0.43 crore for all the services rendered by them to the Company, as detailed below.

(₹ in Crore)	
Payment to Statutory Auditors	FY 2018-19
Audit Fees	0.23
Limited Review Certification	0.11
Tax Audit Fees	0.06
Other Services	0.03
TOTAL	0.43

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 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 www.cpcl.co.in.

ii) Compliance of Applicable Laws:

As per Regulation 17 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board shall periodically review compliance reports of all laws applicable to the company, prepared by the company as well as steps taken by the company to rectify instances of non-compliances.

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

The Board reviewed the Compliance Report of all laws applicable to the Company for the period 01.10.2017 to 30.09.2018 at the 327th Board Meeting held on 29.10.2018. The compliance report for the period 01.10.2018 to 30.09.2019 will be placed before the Board at the meeting scheduled in October / November 2019.

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 Action Taken Report on the Risk Management Policy for the year 2018-19 was reviewed by the Audit Committee and Board at the meeting held on 07.05.2019 and 08.05.2019 respectively.

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

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

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

v) Compliance Certificate

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance requires every listed Company to obtain a certificate from either the auditors of the Company or a Practicing Company Secretary regarding compliance of conditions of Corporate Governance and annex the certificate with the Directors' Report, which is sent annually to all the shareholders. The Company has obtained a certificate to this effect from the Auditors of the Company as required under the SEBI Regulations and DPE Guidelines and the Certificates are given as annexures to the Directors' Report.

ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF SEBI (LODR) REGULATIONS, 2015

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

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

The Company's financial statements for the year ended 31st March 2019 do not contain any modified audit opinion.



h) CEO / CFO CERTIFICATION:

The required certification from the Managing Director and Director (Finance) being the CEO and CFO respectively was obtained and placed before the 96th Audit Committee Meeting and 330th Board meeting held on 07.05.2019 and 08.05.2019 respectively.

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. 138 major contracts were covered under the Integrity Pact during 2018-19 and the threshold limit for entering into integrity pact was ₹ 1.0 crore.

j) RELATIONSHIP BETWEEN DIRECTORS:

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

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

k) DETAILS OF FAMILIARIZATION PROGRAMS IMPARTED TO INDEPENDENT DIRECTORS:

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

Dr. P.B. Lohiya and Mr. D. Duraiganesan, Independent Directors attended the Orientation Programme organized by Department of Public Enterprises for Independent Directors of CPSEs on 27th and 28th May, 2019 in Shillong.

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

l) DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT:

No shares of CPCL were lying in the Demat suspense account or unclaimed suspense account as on 31.03.2019.

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

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

The Company has not incurred any expenditure not for the purpose of business during the year 2018-19.

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

The administrative and office expenses as a percentage of total expenses is 0.27 % as compared to the previous year figure of 0.28%.

In the preparation of financial statement for the year 2018-19, the Company has not adopted an accounting treatment which is different from that prescribed in the Accounting Standard, in respect of any transaction.

12. MEANS OF COMMUNICATION:

a) Financial Results:

The Board of Directors of the Company approves the Financial Results within the limits prescribed under SEBI (LODR) Regulations, 2015 and announces the results to Stock Exchanges where the equity shares are listed. The same are also published, within 48 hours in the newspapers viz., The Hindu, and Makkal Kural (Tamil).

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

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

c) Website:

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

d) NSE Electronic Application Processing System (NEAPS):

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

BSE Corporate Compliance & Listing Centre (“Listing Centre”):

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

SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralized web-based complaints 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.

e) Annual Report:

The Annual Report of the Company and all intimation to the stock exchanges are displayed in the website in

line with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

f) Chairman’s Speech at AGM:

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

g) Investors’ cell:

Investors’ cell exists in the registered office of the company to address the grievances and queries of the shareholders. To facilitate the investors to raise the queries / grievances through the electronic mode, CPCL has created a separate email id sld@cpcl.co.in. M/s.Karvy Fintech Private Limited, the Share Transfer Agent of the Company has offices across the country, wherefrom the queries / grievances of the investors are also addressed.

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

The provisions of The Companies Act, 2013 and Rules made thereunder permits paperless communication by allowing service of all documents in electronic mode. Accordingly, CPCL would send the copy of the Annual Report for the year 2018-19 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.

13. GENERAL SHAREHOLDER INFORMATION:

a)	53 rd Annual General Meeting:	
b)	Date & Time	: 21 st August 2019; 03.00 pm
c)	Venue	: Kamaraj Arangam, 498, Anna Salai, Chennai – 600 006
d)	Financial Year & Calendar for Results	: April – March Quarter ending 30 th June – on or before 14 th August Quarter ending 30 th September – on or before 14 th November Quarter ending 31 st December – on or before 14 th February Quarter ending 31 st March – on or before 30 th May
e)	Book Closure Date	: 14.08.2019 to 21.08.2019 (Both days inclusive)
f)	Dividend despatch date	: The Board has not recommended any dividend for the year 2018-19, in view of the losses.
g)	Listing on Stock Exchanges	: The Shares of the Company are listed on the Stock Exchanges at Mumbai and National Stock Exchange of India Limited. The listing fee for the year 2019-20 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:

Month	NSE (in Rupees)			Volume	BSE (in Rupees)			Volume
	High	Low	Close		High	Low	Close	
Apr-18	359.40	315.20	321.05	10330834	259.40	315.65	320.80	7,50,342
May-18	323.70	262.45	283.40	17366993	326.00	261.80	283.70	12,79,192
Jun-18	318.80	280.85	304.05	13608405	319.65	280.75	302.50	7,34,495
Jul-18	323.50	266.55	315.05	18054283	322.25	266.00	313.95	11,31,885
Aug-18	344.95	300.20	314.65	20327724	344.80	281.00	313.70	12,96,586
Sep-18	316.40	256.35	278.40	9803147	315.85	257.85	279.50	7,83,186
Oct-18	301.00	220.65	256.10	15076004	300.85	221.20	255.10	13,56,898
Nov-18	285.65	254.25	274.30	9355480	285.60	254.10	272.70	7,61,140
Dec-18	298.65	252.25	296.50	12380988	299.00	252.00	297.35	9,24,411
Jan-19	299.40	229.60	242.15	10719998	299.00	229.00	241.60	7,99,788
Feb-19	245.00	196.80	228.25	14202706	245.00	197.70	227.50	8,99,384
Mar-19	275.45	230.10	273.30	9498160	275.00	230.00	272.75	7,33,953

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

Month	NSE		BSE	
	CPCL Close (in Rupees)	Index (CNX NIFTY)	CPCL Close (in Rupees)	Index (S&P BSE SENSEX)
Apr-18	321.05	10739.35	320.80	35160.36
May-18	283.40	10736.15	283.70	35322.38
Jun-18	304.05	10714.30	302.50	35423.48
Jul-18	315.05	11356.50	313.95	37606.58
Aug-18	314.65	11680.50	313.70	38645.07
Sep-18	278.40	10930.45	279.50	36227.14
Oct-18	256.10	10386.60	255.10	34442.05
Nov-18	274.30	10876.75	272.70	36194.30
Dec-18	296.50	10862.55	297.35	36068.33
Jan-19	242.15	10830.95	241.60	36256.69
Feb-19	228.25	10792.50	227.50	35867.44
Mar-19	273.30	11623.90	272.75	38672.91

During 2018-19, the share price of the Company opened at ₹ 326.00 on 01.04.18 and closed at ₹ 272.75 on 31.03.19 on the BSE thereby decreasing by 16.33%. During the same period, the BSE SENSEX opened at 33031 and closed at 38673 and thereby increasing by 17.08%. The NSE NIFTY opened at 10152 and closed at 11624 thereby increasing by 14.50%.

o) DEBT SECURITIES:

The debt securities viz., Secured Redeemable Non-Convertible Bonds in the nature of Debentures (Series-II) to the extent of ₹ 1000 crore issued in January 2014 were redeemed on 10.01.2019 upon maturity. The form for Satisfaction of Charge (CHG-4) has been filed with the Registrar of Companies on 13.03.2019.

p) REGISTRARS AND SHARE TRANSFER AGENTS:

Karvy Computershare Pvt. Ltd. (KCPL) was the Registrar & Transfer Agents (RTA) of the Company. During the year, pursuant to a scheme of arrangement and amalgamation, approved by the Hyderabad Bench of the National Company Law Tribunal vide order dated 23rd October 2018, the operations of KCPL have been transferred to Karvy Fintech Pvt. Ltd. (KFPL). In terms of the approved scheme, the RTA business of KCPL, including all the licenses, got transferred to KFPL on the same terms and conditions as those available to KCPL w.e.f. 17th November, 2018. The change in name of the RTA has been intimated to the Stock Exchanges and also updated on the website of the Company. The address for correspondence with the RTA is as given below:

(1) Hyderabad Office:

Karvy Fintech Pvt. Limited,
Karvy 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@karvy.com, einward.ris@karvy.com
Website: www.karvyfintech.com

(2) Chennai Office:

Karvy Fintech 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 600008
Phone: 044-28587781
Fax : 044-42028514
Email id: chennaiirc@karvy.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 would be 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 lodgement subject to documents being valid and complete in all respects. There were no overdue share transfers pending as on 31st March 2019.

To expedite the share transfer 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, Assistant Manager (Secretarial) to approve share transfers, transmission of shares, dematerialisation requests and rematerialisation requests etc.

The number of transfers approved and shares transferred from 01.04.2018 to 31.03.2019 are given below:

Sl.No.	Particulars	No. of Cases	Number of Shares Involved
1	Number of transfer deeds received	320	34693
2	Transfer deeds processed	121	11917
3	Defective transfer deeds sent to the proposed transferee for rectification of defects	199	22776

The number of meetings held for approving the Share Transfers from 01.04.2018 to 31.03.2019 is 26.



The number of demat requests approved and shares dematted from 01.04.2018 to 31.03.2019 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	659	81300
2	Number of demat requests processed	534	63450
3	Number of demat requests rejected	125	17850

The number of demat requests approved and shares dematted from 01.04.2018 to 31.03.2019 in Central Depository Services (India) Ltd. (CDSL) are given below:

Sl.No.	Particulars	Number of DRF	Number of Shares Involved
1	Number of demat requests received	453	51630
2	Number of demat requests processed	356	39115
3	Number of demat requests rejected	97	12515

r) DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2019:

Shareholding of Nominal Value (₹)	Shareholders		Share Amount	
	Number	% of Total	Amount (in ₹)	% to Total
1-5000	65,544	94.79	60210800	4.04
5001- 10000	1,838	2.66	14467530	0.97
10001- 20000	871	1.26	12914450	0.87
20001- 30000	283	0.41	7208610	0.48
30001- 40000	137	0.20	4869020	0.33
40001- 50000	98	0.14	4595750	0.31
50001- 100000	173	0.25	12694920	0.85
100001& Above	201	0.29	1372152920	92.15
Total	71,716	100.00	148,91,14,000	100

s) **SHAREHOLDING PATTERN AS ON 31.03.2019:**

DESCRIPTION	No. of SHARES		TOTAL	% TO SHARES	No. of SHAREHOLDERS		TOTAL
	PHYSICAL	ELECTRONIC			PHYSICAL	ELECTRONIC	
Indian Oil Corporation Limited	-	77265200	77265200	51.89	-	1	1
Naftiran Inter-trade Co. Ltd.	-	22932900	22932900	15.40	-	1	1
Public (including Employees)	797002	11793883	12590885	8.46	7345	58405	65750
Non-Banking Financing Companies	-	7418	7418	-	-	10	10
Bodies Corporate	13400	1356579	1369979	0.92	42	638	680
Banks, FIs and Insurance Companies	100	7700861	7700961	5.17	1	16	17
Mutual Funds	4600	12476682	12481282	8.38	5	14	19
Investor Education Protection Fund	-	400263	400263	0.27	-	1	1
Non-Resident Indians/OCBs/Foreign Portfolio-Corp/Non-Resident Indians (Non Repatriable)/Foreign Nationals/Foreign Institutional Investors	441500	13721012	14162512	9.51	3167	2070	5237
Total	1256602	147654798	148911400	100.00	10560	61156	71716

t) **TOP TEN SHAREHOLDERS AS ON 31.03.2019 (OTHER THAN PROMOTERS):**

SI.No.	NAME	TOTAL SHARES	% TO EQUITY
1	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE PURE VALUE FUND	75,44,646	5.07
2	LIFE INSURANCE CORPORATION OF INDIA	48,52,842	3.26
3	SBI MAGNUM MULTICAP FUND	28,29,000	1.90
4	THE NEW INDIA ASSURANCE COMPANY LIMITED	17,20,232	1.15
5	ICICI PRUDENTIAL MULTI-ASSET FUND	14,73,936	0.99
6	LSV EMERGING MARKETS EQUITY FUND LP	14,51,200	0.97
7	ACADIAN EMERGING MARKETS SMALL CAP EQUITY FUND LLC	9,73,162	0.65
8	AUSTRALIAN SUPER	8,03,500	0.54
9	GENERAL INSURANCE CORPORATION OF INDIA	8,00,000	0.53
10	IDFC TAX ADVANTAGE (ELSS) FUND	5,84,500	0.39



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 31.03.19 is as under:

Type of Shareholding	Shareholders (Folios)		Shareholding	
	No.	%	No.	%
Physical	10560	14.72	1256602	0.84
Demat	61156	85.28	147654798	99.16
TOTAL	71716	100	148911400	100.00

v) DUE DATE OF TRANSFER OF UNCLAIMED DIVIDEND:

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

Year	Date of Declaration	Due Date of Transfer
2011-2012	11.09.2012	10.10.2019
2012-2013		
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

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 31.03.19 are given below:

Year	Amount (₹)
2011-12	19,23,714.00
2012-13 to 2014-15	No dividend declared
2015-16	52,05,572.04
2016-17	1,87,24,378.10
2017-18	1,34,34,333.10
Total	3,92,87,997.24

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. 24.08.2018 in the prescribed form with the IEPF and also hosted it on company's website www.cpcl.co.in.

w) TRANSFER OF UNCLAIMED SHARES TO IEPF:

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

Ministry of Corporate Affairs (MCA), Government of India, had notified the Investor Education & Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2015 in September 2016 and further amended by Notification dated

26.10.2017 providing for the transfer of the Equity Shares to IEPF in respect of which dividend has remained unclaimed for seven consecutive years or more, on or before 30.11.2017.

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

Accordingly, all such shares in respect of which dividend had remained unclaimed for the year 2010-11 to 2017-18 were transferred to the demat account of the IEPF authority on 16.11.18. The details of such shares are hosted on the website of the company www.cpcl.co.in

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

Particulars	No. of Shares
Shares in the demat account of IEPF Authority as on 01.04.18	3,03,281
Add: Shares transferred to demat account of IEPF authority on 16.11.18	96,982
Less: Shares claimed by investors from IEPF authority	---
Shares in the demat account of IEPF Authority as on 31.03.19	400263

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

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

x) CREDIT RATING:

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

Instrument	Rating Agency	Rating	Outlook
Short term borrowings / PCFC (including BG)	CRISIL	AAA	Stable
Commercial Papers	ICRA & CRISIL	A1+	
Long Term – INR ₹ 500 Cr	CARE	AAA	Stable
Long Term – FC USD 50 Mn	CARE	AAA	Stable

y) No funds have been raised though preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) during 2018-19.

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

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

aa) EMPLOYEE STOCK OPTIONS:

No Employee Stock Options was given during the Financial Year 2018-2019.

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

The Company has not entered into any commodity hedging transactions during the year 2018-19.

cc) PLANT LOCATIONS:

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

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

dd) ADDRESS FOR CORRESPONDENCE:

Chennai Petroleum Corporation Limited,

No.536, Anna Salai, Teynampet,

Chennai – 600 018

Phone: 044-24349833

Email: sld@cpcl.co.in

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



Directors' Report 2018-19

To the family of CPCL Shareowners,

On behalf of the Board of Directors of your Company, I present the 53rd Annual Report on the working of your Company, together with the Audited Statement of Accounts, Auditors' Report and the Report of the Comptroller & Auditor General of India on the Accounts for the year ended March 31, 2019.

PERFORMANCE REVIEW

Financials (Standalone and Consolidated)

The highlights of the Standalone and Consolidated Financial Results are as under:

(₹ in crore)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Gross Turnover	52177	44135	52177	44136
Profit Before Finance Cost, Depreciation and Tax	575	2124	569	2118
Finance Cost	420	321	420	321
Cash Profit	155	1437	163	1451
Depreciation, Amortisation and Impairment	453	345	453	345
Profit Before Tax (before Share of Profit of Joint Ventures)	(298)	1458	(304)	1452
Share of Profit of Joint Ventures	-	-	14	20
Profit Before Tax	(298)	1458	(290)	1472
Tax Provision	(85)	545	(85)	545
Profit After Tax	(213)	913	(205)	927
Less: Appropriations				
Dividend on Equity Shares	275	313	275	313
Corporate Dividend Tax	57	64	58	65
Capital Redemption Reserve	-	200	-	200
Debenture Redemption Reserve	-	50	-	50
Retained Earnings	(545)	286	(538)	299

The Company made an all-round progress on physical operation parameters. These have been covered separately in the following pages. However, the same could not be reflected in the financial performance, due to extraneous factors.

The Company's turnover registered an increase of about 18% at ₹ 52,177 crore as compared to ₹ 44,135 crore in the previous year on account of increase in both the quantity of products sold and price variation.

The year 2018-19 witnessed heightened volatility in the energy markets. Crude oil prices increased to US\$ 86/bbl in October 2018 and retraced to US\$ 57/bbl during December 2018 and settled at US\$ 67/bbl in the year end. The depressed products cracks in general and more notably very low MS cracks, coupled with higher crude oil prices, adversely impacted the Company's financial performance during the year. Hence, GRM for the year 2018-19 was lower at \$3.70/bbl as compared to \$6.42/bbl in the year 2017-18. However, the Company's profitability continues to be positive at cash level. Similar trend of lower GRM's is visible in the industry at varying scale.

Your Company has received nil comments from the Comptroller and Auditor General of India on the accounts for the year 2018-19 for the 16th year in succession.

Cancellation of Un-subscribed and Forfeited Share Capital

The shareholders of the Company at the last Annual General Meeting held on 24.08.2018 accorded approval for the following:

- Cancellation of un-subscribed share capital of ₹ 20,86,89,000 comprising un-subscribed portion of ₹ 4,99,27,000 and ₹ 15,87,62,000 by Government of India and Amoco India Inc. respectively in the Rights Issue made by the Company in the year 1984, representing 2,08,68,900 shares of ₹ 10/- each.
- Cancellation of 2,19,700 equity shares of ₹ 10/- each for ₹ 21,97,000 forfeited by the Board of Directors of the Company for non-payment of allotment /first and final call money.

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>

The salient features of the provisions governing dividend distribution are given in **Annexure-1**.

In view of the losses, 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 issued to Indian Oil Corporation Ltd., the holding Company, will be paid with arrears along with the next declaration of dividend. However, the same has been accounted for as part of finance cost in line with Ind-AS requirements.

Material changes affecting the Company

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

Book Value

The book value per share of your Company as on 31.03.2019 was at ₹ 222.25 as compared to ₹ 258.98 as on 31st March, 2018.

Reserves and Surplus

The reserves and surplus as on 31st March, 2019 reduced to ₹ 3160.60 crore as compared to ₹ 3707.49 crore as on 31st March, 2018.

Value Addition

The value addition during the year 2018-19 was at ₹ 1,394 crore as compared to ₹ 2,953 crore in the previous year.

Digital India Initiative

Your Company registered 79,860 digital transactions during the financial year 2018-19, surpassing the target set by the Ministry of Petroleum and Natural Gas as part of the Digital India campaign.

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:

Particulars	(₹ in crore)	
	2018-19	2017-18
Central Exchequer	11672	12575
State Exchequer	745	714
Total	12417	13289



Interaction with the Leadership Team of CPCL by Director (Finance), IOCL

Public Deposit Scheme

Your Company has not accepted any public deposits during the year 2018-19 and no public deposit was outstanding as on 31st March, 2019.

Share Value

The highest and lowest market value of the Company's shares quoted in the stock exchanges for the period 1st April, 2018 to 31st March, 2019 are as under:

Stock Exchange	High	Low
NSE	₹ 359.40	₹ 196.80
BSE	₹ 358.80	₹ 197.70

Transfer of Unclaimed Dividend to IEPF

Your Company has transferred the required amount of ₹ 0.75 crore to the Investor Education & Protection Fund (IEPF) as per Section-124 of the Companies Act, 2013 within the stipulated time.

In line with the Investor Education & Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2015, as amended, the Company has transferred 96,982 equity shares of ₹ 10/- each in respect of shareholders whose dividend has remained unclaimed for seven consecutive years from the financial year 2010-11, to the Investor Education Protection Fund on 16.11.2018.

OPERATIONAL:

CRUDE OIL THRUPUT (in TMT)	2018-19	2017-18
Imported	8,620	8,660
Indigenous	2,075	2,129
Total Throughput	10,695	10,789
PRODUCTION (in TMT)		
Light Ends	2,145	2,261
Middle Distillates	5,830	5,660
Lube Base Stock	143	169
Wax	20	24
Heavy Ends	1,467	1,634
Intermediates differential	29	32
Other Inputs	(25)	(28)
Fuel & Loss	1086	1037
Total Output	10,695	10,789
Distillate Yield %	74.4	73.2

(TMT = Thousand Metric Tonnes)

Operational Performance

Your Company achieved a throughput of 10.695 MMTPA (million metric tonnes per annum) in 2018-19 as compared to 10.789 MMTPA in the previous year. The distillates yield was the highest ever at 74.4% as against the previous best of 73.2% in 2017-18. The Energy Intensity Index (EII) recorded the lowest at 100.4 against the previous lowest of 100.7 in the year 2017-18. The specific energy consumption was the lowest at 83.7 against the previous lowest of 89.4 in the year 2017-18. The operational availability during the year was 96.6% against MoU target of 97%.

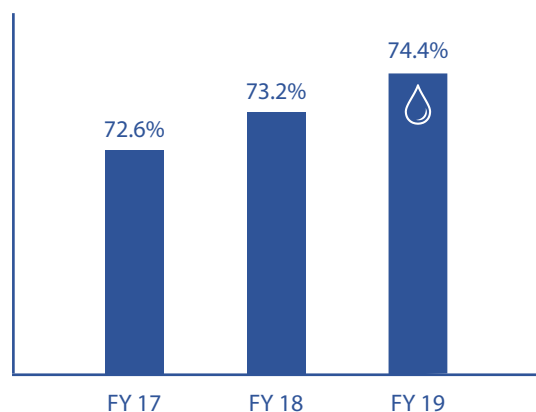
Your Company clocked the highest ever OHCU throughput of 2,214 TMT as against the previous best of 2,164 TMT in 2017-18.

Production of diesel was the highest at 4,841 TMT in 2018-19 as against the previous best of 4,599 TMT in 2017-18. Hexane production was also the highest at 14.9 TMT as against the previous best of 12 TMT in 2012-13.

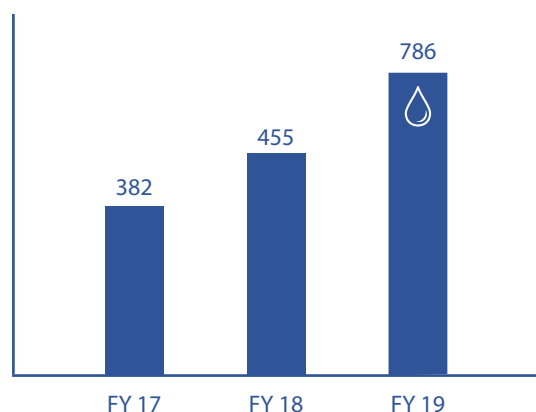
During the year, Manali Refinery achieved a crude oil throughput of 10,271 TMT, as compared to the previous year's figure of 10,289 TMT. The distillate yield during the year was higher at 73.7 wt.% as compared to 72.3 wt.% in the previous year. Fuel & Loss was higher at 10.3 wt.% as compared to 9.7 wt.% in the previous year, mainly on account of Refinery 2 M&I in Q-3, 2018-19 and increased capacity utilization of Resid projects (DCU, SRU and Revamped DHDS Unit).

During the year, Cauvery Basin Refinery achieved a crude oil throughput of 423 TMT as compared to the previous year's

Distillate Yield %



Direct Marketing - Sale of products (TMT)



Throughput: FY19

10.695 MMTPA

Company achieved a throughput of 10.695 MMTPA in 2018-19 as compared to 10.789 MMTPA in the previous year. The distillates yield was the highest ever at 74.4% as against the previous best of 73.2% in 2017-18.



figure of 500 TMT. The distillate yield during the year was at 77.3 wt.% as compared to 79.1 wt.% in the previous year. Natural gas processed in 2018-19 was 72.2 TMT, as compared to the previous year's figure of 73.1 TMT. Fuel & Loss was at 4.6 wt.%, in line with previous year.

Your Company processed three new crude oil grades (Basra Heavy from Iraq, Nemba from Angola and Champion export from Brunei), which were added to the regular basket.

The first ever berthing of a VLCC at any Indian port was successfully carried out in Chennai Port on 31st August 2018.

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 2018-19, as per the guidelines issued by the Department of Public Enterprises (DPE). Your Company has scored 'Excellent' rating from DPE in respect of the MOU for the year 2017-18.



MoU for the year 2019-20 signed with IOCL on 20.05.2019

MARKETING

A majority of fuel products produced by your Company are being marketed by Indian Oil Corporation Ltd., the holding company.

The details of sales of products by your Company through direct marketing during 2018-19 as compared to the previous year are tabled below:



Tripartite Agreement signed for Product supply

PRODUCT	SALE QTY (IN MT)	
	2018-19	2017-18
A: Downstream Products		
Naphtha	177352	194178
LABFS	65299	64445
Butene (MEKFS)	17454	19940
Propylene	24530	30130
PBFS (+LPBFS)	9564	11969
B: Other Products		
Paraffin Wax	21088	21654
Hexane	12308	3171
Micro Crystalline Wax (MCW)	440	214
Sulphur	86985	39423
Petcoke	355437	60373
SN-150 Base oil	6328	6631
Furnace Oil	8867	2862
TOTAL	785652	454990

During the year, direct sale of products recorded an increase of 57.9%, from 455 TMT to 786 TMT. Sale of food-grade Hexane was increased by pricing the product competitively and through constant follow-up with customers.

Yet another significant feature during the year was the increased production and marketing of Micro Crystalline Wax (MCW), an import substitute product. Sale of Petcoke, which was commenced in December 2017 has increased impressively by more than five times during the current year. Direct marketing of Furnace Oil (FO) to Indian Additives Ltd. through a dedicated line significantly increased as compared to last year.

Product despatch through CTMPL during the year improved by 4.2% to 2,959 TMT as against 2,841 TMT in 2017-18. Similarly, product despatch through CBPL during the year improved by 5.29% to 1,373 TMT as against 1,304 TMT in the previous year.

Agreements signed during the year include the following:

- Agreements for Regassified Liquefied Natural Gas (R-LNG) supply and transportation with IOCL.
- Tripartite agreement with IOC, BPC & HPC for product supply.
- Agreement with downstream industries, viz., TPL, MPL and Cetex for supply of petrochemical feedstocks.
- Agreement with M/s Tanfac Industries for supply of sulphur.
- Contract with IAL for supply of FO & base oil.

RESEARCH & DEVELOPMENT (R&D)

Your Company continues to lay greater emphasis on building in-house R&D capabilities and providing technical inputs and support to refinery operations for optimum utilisation of facilities and feedstock. During the year, your Company has established the infrastructure required for renewable crude and liquid hydrocarbon fuel from algae. Cultivation of algae is in progress.

PROJECTS

Your Company endeavors to conceive, develop and implement projects towards achieving growth. Your Company achieved Plan and Non-plan expenditure of ₹ 1,165.05 crore and ₹ 148.55 crore respectively, totaling ₹ 1,313.60 crore.



New 42" crude oil pipe line



BS-VI-SRU

Manali Refinery

Completed Projects

During the year, the following packages/projects have been commissioned:

- New crude oil pipeline from Chennai Port to Manali Refinery commissioned on 24th December, 2018 and dedicated to the nation by the Hon'ble Prime Minister on 10th February, 2019.
- Effluent treatment plant-IV, Boiler-VI and Gas Turbine-V along with HRSG commissioned during December 2018 - March 2019.

Ongoing Projects

The Company has undertaken the following projects for enhancing reliability and upgrading product quality.

BS-VI Auto Fuels Quality Project

To comply with the directives of the Government of India for supply of diesel and petrol meeting BS-VI quality norms with effect from 1st April, 2020, your Company is revamping the existing diesel hydro-treating (DHDT) unit to increase its capacity from 1.8 to 2.4 MMTPA along with a new Sulphur Recovery Unit and installing a new 0.6 MMTPA capacity FCC gasoline desulphurisation unit with associated facilities. The cost of the project is ₹ 1,858 crore.

All major equipment received at site and construction is in an advanced stage. The units are expected to be mechanically completed during Sept.-Dec. 2019.

Regassified Liquefied Natural Gas (R-LNG) project:

R-LNG conversion in one of the Hydrogen Generation Unit (HGU-214) has been successfully completed by taking R-LNG as fuel and feed in March 2019. R-LNG has been taken as fuel in Ref-III furnaces in April 2019. R-LNG conversion in gas turbines, utility boilers, & HGU-205 is expected to be completed by August 2020 in a phased manner. The total cost of the project is estimated to be about ₹ 350 crore.



The new crude oil pipe line between Manali Refinery and Chennai Port was dedicated to the nation by The Hon'ble Prime Minister of India on 24 December 2018



Company is revamping the existing diesel hydro-treating (DHDT) unit to increase its capacity from 1.8 to 2.4 MMTPA along with a new Sulphur Recovery Unit and installing a new 0.6 MMTPA capacity FCC gasoline desulphurisation unit with associated facilities

Cauvery Basin Refinery

Future Projects

Your Company proposes to set up a 9.0 MMTPA Refinery at Cauvery Basin Complex, Nagapattinam. The Detailed Feasibility Report (DFR) for the project has been completed and actions to obtain investment approval for the project have been initiated. The project will include a Polypropylene unit apart from the refinery complex. The refinery complex will provide impetus for economic development of the region. As a preparatory step, it has been decided to progressively cease operations at the Refinery from 1st April, 2019.

Your Company signed an MOU with the Government of Tamil Nadu for availing a structured package of incentives announced at the Tamil Nadu Global Investors Meet in Chennai on 24th January, 2019. Approval for additional land acquisition has been obtained from Government of Tamil Nadu and Pondicherry.

INFORMATION TECHNOLOGY

Your Company is marching ahead with innovative use of Information technology to improve operational efficiency and for effective knowledge management.

Major initiatives carried out during the year are as under:

- Automation of invoice generation in SAP for truck movement.
- Configuration and testing of cold work permit in SAP and in the intranet for compliance with OISD requirements.
- Launch of online, intranet based systems on e-Governance, viz., e-MOC, e-Interlock, e-legal system and gas detector system.



Mou With GoTN for CPCL's proposed investment in 9.0 MMTPA at CBR Nagapattinam

- Introduction of online vendor bill tracking system through the intranet and on CPCL website, allowing vendors to submit bills and track their status online.
- Installation of new server, Symantec 14.0, and a new firewall management server to ensure information security.

HEALTH, SAFETY AND ENVIRONMENT

Health

Your Company has state-of-the-art occupational health services (OHS) facilities equipped with the best of infrastructure for treating illnesses, prevention of injuries to employees and other workers.

Your Company's OHS regularly monitors the physical hazards, viz., noise, light and heat stress, chemical hazards (CO₂, H₂S, and SO₂) and other organic compounds in a planned schedule to ensure that they are well within the normal limits. As part of health surveillance, 99.9% of the employees were covered under annual health screening. Medical emergencies due to illnesses and injuries were competently handled during the year. Six training programmes were conducted for the employees on awareness on the various hazards in their work-places and their health effects and how to provide emergency care for illnesses and injuries. As part of health promotion, various screening programmes were conducted for the employees and contract workers.



As part of health promotion, various screening programs were conducted for the employees and contract workers



As part of health surveillance 99.9 % of the employees were covered under annual health screening

Safety

Your Company keeps a constant vigil on its safety management practices and sets very high safety standards to ensure accident-free man-days.

The following initiatives on safety management were undertaken during the year:

- Surprise safety audit was carried out by the OISD team during the last week of October 2018. The recommendations of both internal and external safety audits are implemented in a time-bound manner with regular monitoring during the monthly CSC meeting.
- Modification of near-miss incident (NMI) system to improve its effectiveness in tracking liquidations. NMI reporting encouraged with suitable reward for reporting.
- Revision of guidelines on incident reporting, categorisation, investigation and analysis.
- Updation of contractor safety guidelines in tender procedure manual.
- In-house development of web-based two-tier work permit system similar to IOCL SAP system in intranet.
- Offsite emergency mock drill conducted on 23rd October, 2018 in the presence of District Collector, Chennai, and district crisis group.
- Onsite emergency mock-drills conducted every quarter in the presence of officials from the Directorate of Industrial Safety and Health with participation of teams from National Disaster Response Force (NDRF, Arakkonam), Tamil Nadu Fire & Rescue Services and mutual aid members from MFL and TPL. Monthly mock-drills were conducted by creating different emergency scenarios.



Off-site mock drill under the chairmanship of District Collector, Chennai

During the year 2018-19, your company achieved an accident free total employee manhours of 4.71 million and there were no fatal accidents. Process Safety training was conducted through an external faculty on 22nd and 23rd February 2019, attended by 110 employees. 48 Employees were sent for various external safety training programs conducted by NSC, FICCI, RLI etc.

As on 31.03.2019, 125 recommendations of 9th ESA 2013, 43 recommendations of 9th SSC 2015, 129 recommendations of 10th ESA 2018 and 73 recommendations of 1st ESA 2018 (LPG Bottling Unit) have been complied with.

Environment

Your Company is constantly implementing various environmental protection measures to ensure that there is no adverse impact on the neighbourhood communities from its operations. During the year Consent to Operate (CTO) for Desalination plant was obtained from TNPCB for a 10-year period.

Key initiatives taken for environment protection are as follows:

- Utilisation of R-LNG from March 2019 as part of emission reduction efforts
- Commissioning of new ETP-IV with state-of-the-art technology combined with ultrafiltration/reverse osmosis and demineralisation plant in February 2019 for reuse of water in the refinery.
- Absorption of ETP sludge in Coker unit started from February 2019.
- Continuous operation of two sewage reclamation plants to meet the water requirements of the Refinery, thereby reducing fresh water consumption.

World Environment Day was celebrated on 5th June, 2018 with the theme 'Beat Plastic Pollution'. 300 saplings were planted in TTP area and 200 saplings distributed to employees.



MD presenting a memento to Mr. Deepak Srivastava, IFS Special Secretary to Government, Environment & Forest Department, Government of Tamilnadu on the occasion of World Environment Day Celebrations on 05.06.2019

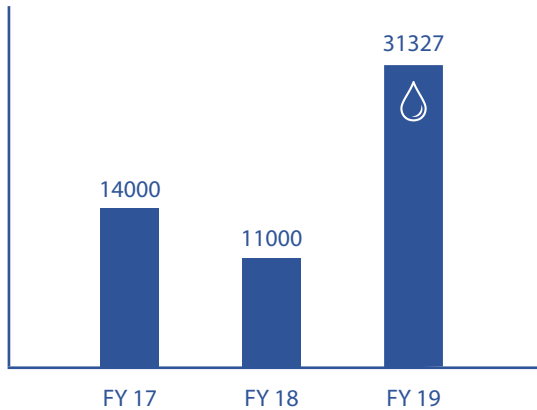
ENERGY CONSERVATION

Your Company lays greater emphasis on implementing various measures aimed at reducing energy consumption and achieving energy conservation.

Significant energy conservation measures implemented by your Company during the year resulted in an estimated savings of about 31,327 Standard Refinery Fuel Tonne (SRFT)/annum, representing about 0.31% savings on Fuel & Loss. The details of energy conservation measures are given in **Annexure II**.



Savings in Energy Conservation (SRFT per annum)



RELIABILITY IMPROVEMENT INITIATIVES

Your Company has undertaken the following measures to ensure reliability of its refinery operations:

- Refinery-2 Distributed Control System (DCS) front end upgraded from centum CS3000 to centum CS VP as part of life cycle management.
- TG governor Electro Hydraulic Turbine Control (EHTC) system and generator protection system modernized as part of Reliability Improvement and life cycle management.
- Completed partial up-gradation to internally coated lines in Refinery-3 Fire water network
- Laser alignment fixtures were developed in house to facilitate laser alignment in space constraint areas such as gear coupling, to improve accuracy of alignment.

HUMAN RESOURCES

Your Company regards its employees as the key drivers of growth by providing a congenial work environment.

The total manpower of your Company as on 31st March, 2019 was 1,726, comprising 855 supervisors and 871 non-supervisors (1,709 as on 31st March, 2018, comprising 832 Supervisors and 877 Non-supervisors).

During the year 2018-19, your Company has achieved 2.89 average Training Man days against the target of 2.5 man-days. A training programme on Data Analytics was organised by IIM-Trichy Study Centre, Chennai, for middle management group (Managers and below) and senior executives (Senior Managers and above). During the year, 1,129 employees were nominated for various internal programmes on Operations, Maintenance, Management Development and other general programmes. 239 employees were nominated for various external training programmes held at different parts of the country and three employees were nominated for various Training Programmes abroad.

During the year, an Accelerated Career Progression Scheme (ACPS) was introduced for workmen and four candidates were selected and promoted as Officers in December 2018. Assessment level of People Capability Maturity Model (PCMM) was conducted through M/s.QAI India Ltd. The assessment indicated a strong evidence of Maturity Level-II related practices in CPCL.

Your Company meticulously follows 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 388 SC employees (previous year: 394) and 47 ST employees (previous year: 42) as on 31st March, 2019, constituting 22.48% and 2.72% of the total manpower respectively.

The statistics relating to representation of SCs/STs/OBCs in the prescribed proforma as on 1st January, 2019 is given in **Annexure-III**.

Your Company is implementing the provisions of the Rights of Persons with Disabilities Act, 2016 by way of 4% reservation for



Oil Companies HR Summit organised by CPCL

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.

Your Company has hosted the 56th HR Summit of Oil and Gas PSUs in February 2019 with the theme, "Industry 4.0 - Redesigning HR in the Digital Era".

COMPLIANCE WITH SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013

The provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been implemented in the Company with the clear objective of providing protection to women against sexual harassment at the workplace and for prevention and redressal of complaints. There were no complaints of sexual harassment during the year.

WOMEN EMPOWERMENT

Your Company firmly believes that women employees play a pivotal role in the human capital profile of the company. As on 31st March, 2019, 87 women employees are on the rolls of the Company, of whom 54 are in the supervisory cadre and 33 are in non-supervisory cadre, constituting 6.32% of the total supervisory employees and 3.79% of the total non-supervisory employees.

Women's Day 2019 was celebrated on 8th March, 2019 at Gramathil Oru Naal, a theme village near Irumbuli, Melmaruvathur, Tamil Nadu, which enabled participants to have hands-on experience of living a village life.



Women's day 2019 was celebrated on 08.03.2019 at CPCL

CORPORATE SOCIAL RESPONSIBILITY (CSR) & SUSTAINABLE DEVELOPMENT (SD)

Your Company considers CSR as one of the crucial functions to accelerate the process of inclusive development by aligning its business operations with the social and environmental values.

During the year, your Company spent ₹ 18.89 Crore towards community development activities. Of this, about ₹ 6.08 Crore was spent on various CSR activities in Nagapattinam near the Cauvery Basin Refinery. About ₹ 9.51 Crore was spent on activities focussed on healthcare & education, which is more than 50% of the CSR expenditure.



Donation to Chief Minister's Public Relief Fund towards Rehabilitation work of Gaja Cyclone damage

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

During the year, in pursuance of the Government guidelines, CSR activities worth ₹ 2.23 crore have been taken up in the aspirational districts of Tamil Nadu, namely Virudhunagar & Ramanathapuram.



Brackish Water Aquaculture: CPCL has collaborated with CIBA to provide self-employment and income to 50-75 tribal women in coastal villages and improve their livelihood

The CSR Policy of the Company can be accessed on the website of the Company under the link <https://www.cpcl.co.in/Policies>

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

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

- Heroes of Chennai Award-2018 for CSR initiatives which created a positive impact on the lives of the people.
- Rotary Club of Chennai Towers 'Excellence in CSR' award for your Company's contribution to Swachh Bharat, healthcare, skill development, vocational training, responding to natural calamities, etc.



During the year, your Company has spent an amount of ₹ 18.89 Crore towards community development activities

- Madras School of Social Work, Chennai, conferred the 'Certificate of Appreciation' on your Company for its CSR activities like providing access to quality healthcare services, Swachh Bharat Mission, upgradation of Anganwadi buildings, skill training for visually impaired and natural disaster relief work in Thiruvallur district in accordance with sustainable development goals.

The Company also published a report on Corporate Sustainability for the year 2017-18 and the same is available at the link <https://www.cpcl.co.in/corporategovernance>

VIGILANCE

The Vigilance Department of your Company continues to assist the management in promoting transparency, fairness and accountability amongst the employees, while discharging its responsibilities.

Based on the recommendations made by the Vigilance group, several system improvement measures have been initiated and implemented. In line with CVC's guidelines, notices inviting tenders, tender documents and details of purchase orders/contracts awarded, including those on nomination basis, are hosted on the Company's website.

Vigilance Awareness Week-2018 was observed from 29th October, 2018 to 3rd November, 2018 with the theme 'Eradicate Corruption - Build a New India'.

There are no pending disciplinary cases as on 31st March, 2019.

PUBLIC GRIEVANCES

Your Company is focused on timely redressal of public grievances. Contact details of Public Grievance Officer are displayed on the website of the Company under the link <https://www.cpcl.co.in/grievances>. During the year 2018-19, 12 public grievances were received and disposed of in time.

CORPORATE GOVERNANCE

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

BUSINESS RESPONSIBILITY REPORT

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

AUDIT COMMITTEE

The composition of the Committee as on 31st March, 2019 is as under:

- Mr. Mrutunjay Sahoo, Independent Director – Chairman
- Dr. P.B.Lohiya, Independent Director, Member
- Mrs. Perin Devi, Government Director, Member

Director (Finance) is the permanent invitee.

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

CODE OF CONDUCT

The Board of Directors of your Company has formulated a code of conduct for the Directors and senior management personnel, which was circulated to all concerned and hosted on the Company's website. The code can be accessed at <http://www.cpcl.co.in/code of conduct>. The Directors and senior management personnel have affirmed compliance with the code of conduct and the same was informed to the Board at the meeting held on 8th May, 2019.

RISK MANAGEMENT

Your Company has put in place effective systems to identify, analyse, monitor and mitigate risks to ensure the Company's sustained growth and profitability which involves cautious assessment of various Internal Risks like non-availability of raw water, non-availability of infrastructure requirements, reliability of equipments, financial risks, legal and litigation risks etc and various External Risks like sourcing of crude oil, pricing of products, market dynamics, emergence of natural gas, safety and environmental risks etc .

The Action Taken Report on the Risk Management Policy for the year 2018-19, containing the mitigation measures on various internal and external risks were reviewed by the Audit Committee and the Board at the meeting held on 07.05.2019 and 08.05.2019 respectively.

In line with SEBI(LODR) Regulations, 2015, your Company has constituted a Risk Management Committee on 27.03.2019 comprising of the following members:

- Mr.S.N.Pandey, Chairman of Committee
- Mr.G.Aravindan, Member
- Mr.Mrutunjay Sahoo, Member
- Mr.Rajeev Ailawadi, Member
- Mr.R.Srikanthan, Member
- Mr.B.V.Rama Gopal, Member

INTERNAL FINANCIAL CONTROLS

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

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

The Statutory Auditors, in their report dated 8th May, 2019, 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, 2019 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. S.Viswanathan LLP, Chennai and M/s. Padmanabhan, Ramani and Ramanujam were appointed as Joint Statutory Auditors of the Company for the financial year 2018-19 by the Comptroller and Auditor General of India. The Board of Directors of the Company fixed a remuneration of ₹ 0.21 crore towards statutory audit fees (₹ 0.105 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 8th May, 2019 on the annual accounts for the financial year 2018-19.

COST AUDITORS

M/s. M Krishnaswamy & Associates, Cost Accountants, Chennai, were appointed as the Cost Auditor of Manali Refinery and Cauvery Basin Refinery of the Company for the financial year 2018-19 at a remuneration of ₹ 2,50,000/- p.a. 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 2017-18 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 2018-19 would also be filed within the stipulated time.

SECRETARIAL AUDIT

The Secretarial Audit Report for the year 2018-19 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.

In line with amendment to SEBI (LODR) Regulations, 2015, Annual Secretarial Compliance Report for the year 2018-19 has been submitted to BSE/NSE before 31.05.2019.

The appointment of additional Independent Directors is under the consideration of the Government of India.

One separate meeting of Independent Directors was held on 29th October, 2018.

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

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

PUBLIC PROCUREMENT POLICY FOR MSEs

Your Company has to procure 25% of total procurements of goods and services from MSEs, according to Public Procurement Policy (PPP) for Micro & Small Enterprises (MSEs) – Order 2012 and amendment order 2018 of the Government of India. The actual procurements from MSEs for the year 2018-19 are as under:

PARAMETERS	ACTUAL	TARGETS
Procurements from MSEs (General, Reserved SC/ST & Women)	26.09%	25%
Procurements from Reserved SC/ST MSEs	0.77%	5% (Sub target out of 25%)
Procurements from Women owned MSEs	1.07%	3% (Sub target out of 25%)



The remaining 4.23% and 1.93% out of 5% and 3% sub-targets earmarked for procurements from MSEs owned by SC/ST and Women respectively were achieved by way of procurements from other micro and small enterprises in line with the policy.

Your Company has earmarked 25% target of total procurements of goods and services from MSEs during the next financial year 2019-20. Out of this, 5% target is earmarked for procurements from reserved SC/ST MSEs and 3% target is earmarked for procurements from Women owned MSEs"

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

JOINT VENTURES

Indian Additives Limited (IAL):

Your Company has a joint venture with Chevron Chemicals Company (now Chevron Oronite Company) in the year 1989 for manufacture of lube additives components and packages. The share capital of IAL is ₹ 23.67 crore. CPCL and Chevron hold 50% each in the share capital of IAL.

The Revenue from Operations of IAL is ₹ 777.08 crore during the year 2018-19, as against ₹ 639.46 crore in the previous year. The Profit after Tax for the year 2018-19 was ₹ 27.92 crore as against ₹ 39.08 crore in the previous year. The Board of IAL has recommended a dividend of 50% for the financial year 2018-19.

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)

In line with the provisions of the Companies Act, 2013 and SEBI Listing Regulations 2015, a policy on material RPTs was framed, which can be accessed on the Company website at the link <https://www.cpcl.co.in/Policies>. Your Company has undertaken transactions with related parties during the year. These transactions 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 -IX** of the report.

REPORT ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS

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

PARTICULARS OF EMPLOYEES

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

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

1. Mr. R.Srikanthan has been appointed as Director (Technical) in place of Mr. U.Venkata Ramana effective 13.08.2018, who superannuated on 31.07.2018.
2. Mr. D.Duraiganesan has been appointed as Independent Director by the Ministry of Petroleum and Natural Gas effective 14.08.2018.
3. Mr. Babak Bagherpour has been appointed as a Director representing Naftiran Inter-trade Company Ltd effective 27.03.2019 in place of Mr. Farzad Bahrami.

BOARD MEETINGS

During the year, eight 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

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

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The provisions of Section 134 (3) (e) of the Companies Act, 2013 regarding the policy on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided in Sec 178(3) of the Companies Act, 2013 are exempted for Government Companies.

VIGIL MECHANISM / WHISTLE-BLOWER POLICY

The Company framed a whistle-blower policy wherein the employees are free to report any improper activity resulting in violation of laws, rules, regulations or code of conduct by any of the employees, to the Competent Authority or Chairman of the Audit Committee, as the case may be. 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).

Any such complaint is reviewed by the Competent Authority or Chairman of the Audit Committee. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice. No employee has been denied access to the Audit Committee. The policy on Vigil Mechanism / Whistle-Blower can be accessed on the Company's website at the link <https://www.cpcl.co.in/Policies>

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

DETAILS OF LOANS / INVESTMENTS / GUARANTEES

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

EXTRACT OF ANNUAL RETURN

As required under the provisions of the Companies Act, 2013, the extract of Annual Return for the financial year ended 31st March, 2019 in the prescribed form MGT-9 has been prepared and given in **Annexure-X**. The same is also hosted in the website of the company at www.cpcl.co.in.

COMPLIANCE WITH SECRETARIAL STANDARDS

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(5) the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that

- i) in the preparation of the annual accounts for the financial year ended March 31, 2019, 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, 2019, on a going concern basis;
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.
- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

RIGHT TO INFORMATION

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

A total of 137 requests and 19 first appeals received were responded during the year under the RTI Act.

OFFICIAL LANGUAGE POLICY

Your Company constantly strives to effectively implement the provisions of the Official Language Act and Rules to ensure increased use of Hindi in the Company.

The Official Language Implementation Committee meets periodically every quarter to review the progress and improvise usage of Hindi in the Company.

Hindi Week was observed from 09.09.2018 to 14.09.2018 in CPCL. Four Hindi Workshops were conducted in each quarter, including one Spoken Hindi Workshop, for the benefit of employees. Training is imparted on a regular basis to increase the working knowledge in Hindi of our employees.

Your Company was conferred "Special Award for best implementation of Official Language for the year 2017-18 under the category - Big Organisation by the Town Official Language Implementation Committee.

ACKNOWLEDGEMENT

Your Board of Directors would like to express their sincere appreciation for the dedicated efforts and valuable services rendered by the members of CPCL family.



Chennai Petroleum Corporation Limited

Your Board of Directors would also like to thank 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.

Your Directors are grateful to all the stakeholders for their support and confidence reposed by them on the Company.

Your Directors also place on record their appreciation of the valuable contributions made by other directors, viz., Mr. U.Venkata Ramana and Mr. Farzad Bahrami, during their tenure on the Board.

For and on behalf of the Board

(Sanjiv Singh)
Chairman
DIN: 05280701

Place : New Delhi
Date : 16.07.2019

Annexure - I

DIVIDEND DISTRIBUTION POLICY

The provisions regarding payment of dividend are as under:

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

The Extracts of the above provisions are as under:

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

DIVIDENDS

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

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

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

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

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

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

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

TIMELINES FOR APPLICABILITY OF GUIDELINES

The timelines for applicability of these guidelines are as under:

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

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

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

- a) Every CPSE would pay a minimum annual dividend of 30% of PAT or 5% of the networth, whichever is higher subject to the maximum dividend permitted under the extant legal provisions.
- b) Nonetheless, CPSEs are expected to pay a maximum dividend permissible under the Act under which a CPSE has been set up, unless lower dividend proposed to be paid is justified after the analysis of the following aspects on a case to case basis at the level of Administrative Ministry / Department with the approval of Financial Advisers.
 - (i) Networth of the CPSE and its capacity to borrow;
 - (ii) Long-term borrowings
 - (iii) CAPEX / Business Expansion needs
 - (iv) Retention of profit for further leveraging in line with the CAPEX needs; and
 - (v) Cash and bank balance.
- c) The analysis should confirm that the retention of funds augmenting its net-worth is being optimally leveraged to ensure higher investment by the CPSEs. The report for exemption, if any, in this regard will be submitted by the CPSEs through their Administrative Ministry to Secretary, Department of Economic Affairs and Secretary, Department of Investment and Public Asset Management (DIPAM) before the end of second quarter of the financial year.
- d) The above guidelines on payment of dividend, bonus shares, buyback and splitting of shares would be subject to the provisions of the Act under which a CPSE has been set up, as amended from time to time and any other extant regulations / rules.
- e) In case, any CPSE is not able to comply with any of the above guidelines, specific exemption has to be obtained from DIPAM, Ministry of Finance, Government of India through their Administrative Ministry/Department. The Administrative Ministry will ensure the compliance of these guidelines and refer proposals for exemption(s) to the DIPAM alongwith their opinion / comments and concurrence of the Financial Adviser in the matter.



Annexure - II

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

A. CONSERVATION OF ENERGY:

i) The following major Encon measures were undertaken in 2018-19

- Installation of Hot Separator in Diesel Hydro-Desulphurisation unit
- Routing of Impure Hydrogen (Net gas) to Diesel Hydro-treating unit
- Reduction of stripper stripping steam in Delayed Coker unit Light Coker Gas Oil
- Routing of Crude Distillation Unit-I Superior Kerosene to Tamilnadu Petro-products Ltd. instead of Crude Distillation Unit-II Superior Kerosene
- Installation of 2" control valve in Hydrogen Generation Unit to minimize Hydrogen flaring
- Provision of Cooling Water booster pump facility in Isomerisation unit Liquefied Petroleum Gas section
- Replacement of Crude Distillation Unit-II Air Pre-heater
- Delayed Coker unit Naphtha Splitter bypass to route Light coker Naphtha and Heavy coker Naphtha to Diesel Hydro-treating unit
- New Fuel Gas Interconnection from Refinery-III to Refinery I & II to minimise Fuel gas Flaring

The above measures resulted in an estimated savings of about 31,300 Standard Refinery Fuel Tonnes/annum (0.3% savings on Fuel & Loss)

ii) Steps taken for utilizing Alternate Sources of Energy:

a) Solar Energy:

CPCL currently operates three roof top solar photovoltaic (PV) installations viz., 150 KW at CPCL CBR Refinery, 20 KW at CPCL Corporate office and 25 KW at CPCL Polytechnic. In addition, CPCL has Installed 25 KW of rooftop based Solar power facilities in the refinery premises. CPCL is exploring the possibility of increasing solar power capacity in the coming years.

b) Wind Energy:

CPCL commissioned 22 wind mills with an installed capacity of 17.6 MW at Pushpathur, TamilNadu in the year 2007 and has been generating wind energy

since then successfully. The power generated from the Windmill is being used to meet the energy requirement of CPCL's Desalination plant through wheeling arrangement with TNEB.

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

The following additional investment proposals are being implemented:

- Pressure Swing Adsorption (PSA) II unit revamp from 6 bed to 8 bed to recover Hydrogen from Refinery off gases at the cost of ₹ 18.67 crore. Expected completion Sept 2019 along with Diesel Hydro-treating unit revamp.
- Implementation of Pinch in Propane De-asphalting Unit for pre-heat improvement at the cost of ₹ 13.10 Crore. Expected completion Oct, 2019 during Maintenance & Inspection of Lube Expansion Block.

B. TECHNOLOGY ABSORPTION

i) Efforts made in Technology absorption are as under:

1. Installation of Haldor Topsoe Convection Reformer (HTCR) in Hydrogen Generation Unit (HGU) Licensed by M/s. Haldor Topsoe to maximise production of hydrogen from the existing Hydrogen Generation Unit.
 2. R&D efforts are aimed to provide technical support to refinery operations, optimization of process units and also to provide analytical inputs for process troubleshooting. Pilot plant studies and evaluation of catalysts and feed stocks for various process units help in improving the yields and optimum utilization of facilities.
- Entire infrastructure for the project on "Renewable crude and liquid hydrocarbon fuel from Algae" has been established. Cultivation of Algae is in progress.
 - Sulphur reduction in Kerosene by Adsorptive Desulphurization technique was studied and the Sulphur reduction in kerosene was from 2570 ppm to 74 ppm using In-house prepared Ni- HY zeolite Catalyst.
 - Conversion of dicyclopentadiene (DCPD) to JP-10 using commercial Ni-based hydrogenation catalyst & in-house prepared isomerization catalyst (10% Ni-H β Zeolite) was studied. Maximum 68 wt% of JP-10 yield was obtained.
 - Project on Recovery of Hydrocarbon from crude sludge by Microwave (MW) assisted pyrolysis was done with IITM. Two sludge samples were taken for the study and the oil yield after MW

assisted pyrolysis were 81.5 wt % and 42.7 wt % respectively.

- Two patents have been filed on Catalyst and Process for the Production of Exo-THDCPD & High Energy Density fuel JP-10.
- Poster presentation was made on Recovery of Valuable Hydrocarbons from Petroleum Crude Sludge via Microwave Pyrolysis and Catalytic Upgradation in 23rd Refining & Petrochemicals Technology Meet, January, 2019 Mumbai.

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

Nil

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

- Technology imported : Nil
- Year of Import : Not applicable
- Has technology been fully absorbed : Not applicable
- If not fully absorbed, area where this has not taken place : Not applicable

iv) Expenditure on R&D

Particulars	₹ in Crore)	
	2018-19	2017-18
Capital	0.41	3.70
Recurring	5.91	7.81
Total	6.32	11.51
Total R&D expenditure as % of Gross Turnover	0.01	0.03

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	₹ in Crore)	
	2018-19	2017-18
Outgo	124.71	149.76
Earned	-	-



Annexure - III SC/ST/OBC Report -I

ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCs/STs & OBCs AS ON 01.01.2019

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 01.01.2019				No. of appointments made during the calendar year 2018 (Jan - Dec 2018)										
					By Dir.Recruitment				By Promotion			By Deptn/Absorption			
	Tot.no. of employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Group A Managerial / Executive Level	634	146	25	78	Nil	Nil	Nil	Nil	143	35	6	6	2	Nil	
Group B Supervisory Level	183	33	6	64	33	3	2	17	21	3	1	Nil	Nil	Nil	
Group C Workmen/ Clerical Level	858	199	11	356	7	1	Nil	6	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/ unskilledExclgd. 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	1675	378	42	498	40	4	2	23	164	38	7	6	2	0	

SC/ST/OBC Report -II

ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCs/STs & OBCs IN VARIOUS GROUP "A" SERVICES AS ON 01.01.2019

AND NUMBER OF APPOINTMENTS MADE IN VARIOUS GRADES IN 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 01.01.2019				No. of appointments made during the calendar year 2018 (Jan - Dec 2018)										
					By Dir.Recruitment				By Promotion			By Other Methods			
	Tot.no. of employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
₹70000-200000	225	43	7	27	Nil	Nil	Nil	Nil	30	8	Nil	2	Nil	Nil	
₹80000-220000	198	48	9	23	Nil	Nil	Nil	Nil	50	17	3	2	1	Nil	
₹90000-240000	63	10	3	10	Nil	Nil	Nil	Nil	22	2	1	Nil	Nil	Nil	
₹100000-260000	73	23	6	14	Nil	Nil	Nil	Nil	24	5	2	2	1	Nil	
₹120000-280000	44	11	Nil	4	Nil	Nil	Nil	Nil	9	1	Nil	Nil	Nil	Nil	
₹120000-280000	22	10	Nil	Nil	Nil	Nil	Nil	Nil	4	2	Nil	Nil	Nil	Nil	
₹120000-280000	9	1	Nil	Nil	Nil	Nil	Nil	Nil	4	Nil	Nil	Nil	Nil	Nil	
TOTAL	634	146	25	78	0	0	0	0	143	35	6	6	2	0	

Annexure - IV

ANNUAL REPORT ON CSR ACTIVITY

1.0 BRIEF OUTLINE OF THE CSR POLICY:

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

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

2.0 COMPOSITION OF COMMITTEE ON CSR & SD AS ON 31.03.2019

The Composition of Committee on CSR & SD as on 31.03.2019 is as follows:

1. Dr.P.B Lohiya, Independent Director - Chairman
2. Mrs. Perin Devi, Government Director – Member
3. Mr Mohammad Bagher Dakhili, Director - Member
4. Mr.Rajeev Ailawadi Director(Finance) - Member
5. Mr.R.Srikanthan, Director (Technical) – Member
6. Mr.G.Aravindan, Director (Operations) - Member

3.0 AVERAGE NET PROFITS AND PRESCRIBED CSR EXPENDITURE:

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

Particulars	(₹ in Crore)
Average Net profits for the last three financial years	943.81
Prescribed CSR Expenditure	18.88

4.0 PRESCRIBED CSR EXPENDITURE (2% OF THE AMOUNT AS IN SL.NO.3)

₹ 18.88 Crore

5.0 DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR 2018-19.

Particulars	(₹ in Crore)
a) Total Amount Spent during the year	18.89
b) Amount Unspent	Nil
c) Manner in which the amount spent during the financial year is detailed:	Refer Attachment

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

Not applicable.

7.0 RESPONSIBILITY STATEMENT

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

Managing Director & CEO

Chairman (CSR & SD Committee)

Place: Chennai
Date: 29.06.2019



CSR & SD Activities for the year 2018-19

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 (₹ in crore)	Amount Spent on the Project or Programmes Sub-heads: (1) Direct Expenditure on Projects or Programme (2) Overheads (₹ in crore)	Cumulative Expenditure upto the reporting period (₹ in crore)	Amount Direct or through implementing Agency
1	Running of 4 Community Health Care Centers	Health care	Local Area / Chennai & Nagapattinam / Tamil nadu	0.60	0.61	0.61	Implementing Agency
2	Equipments for Manali Community health care Centre and their Running and Maintenance	Health care	Local Area / Chennai / Tamil nadu	0.48	0.23	0.23	Implementing Agency
3	Optical Microscope for Community Ophthalmic Centre of Sankara Nethralaya	Health care	Local Area / Chennai / Tamil nadu	0.35	0.35	0.35	Direct
4	Equipments for Institute of Child Health Egmore	Health care	Local Area / Chennai / Tamil nadu	0.11	0.10	0.10	Direct
5	Ventillators for Pediatric Department of Govt Stanley hospital, Chennai	Health care	Local Area / Chennai / Tamil nadu	0.09	0.10	0.10	Direct
6	Medical Camps	Health care	Local Area / Chennai & Nagapattinam / Tamil nadu	0.08	0.07	0.07	Implementing Agency
7	Cancer Screening and Treatment of Women in Manali and Thiruvottiyur, near CPCL Manali Refinery through Cancer Institute, Chennai for 5 years	Health care	Local Area / Chennai / Tamil nadu	1.50	1.50	1.50	Implementing Agency
8	Neuro Intensive Rehabilitation Lab for Neurology Department, Rajeev Gandhi Govt General Hospital(MMC), Chennai	Health care	Local Area / Chennai / Tamil nadu	0.42	0.19	0.19	Implementing Agency
9	Supply of Various Equipments for Health care in Virudhunagar District	Health care	Others / Virudhunagar / Tamil nadu	0.18	0.18	0.18	Implementing Agency
10	Construction of new Health Sub-centre building at Gangagulam village in Virudhunagar District	Health care	Others / Virudhunagar / Tamil nadu	0.30	0.30	0.30	Implementing Agency
11	Mobile Medical Unit through Helpage India in Ramanathapuram District	Health care	Others / Ramanathapuram / Tamil nadu	0.18	0.18	0.18	Implementing Agency
12	Construction of 1 Health Sub-centre building & procurement of dental X-ray and multipara monitors in Ramnathapuram	Health care	Others / Ramanathapuram / Tamil nadu	0.38	0.38	0.38	Implementing Agency
13	Mobile Medical Unit through Helpage India in Nagapattinam District	Health care	Local Area / Nagapattinam / Tamil nadu	0.18	0.18	0.18	Implementing Agency
14	Support to Oncology Block at Govt Multi Super Speciality Hospital, Chennai	Health care	Local Area / Chennai / Tamil nadu	0.39	0.39	0.39	Implementing Agency

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 (₹ in crore)	Amount Spent on the Project or Programmes Sub-heads: (1) Direct Expenditure on Projects or Programme (2) Overheads (₹ in crore)	Cumulative Expenditure upto the reporting period (₹ in crore)	Amount Direct or through implementing Agency
15	Skill Development Courses for the Blind Through Tamil Nadu Association of Blind	Skill Development	Local Area / Chennai / Tamil nadu	0.07	0.06	0.06	Implementing Agency
16	Graphics design Skill Development for Poor and needy youth	Skill Development	Local Area / Chennai / Tamil nadu	0.10	0.10	0.10	Implementing Agency
17	Tailoring Course for Rural Women of Tamil nadu - SRKV, Coimbatore	Skill Development	Others / Coimbatore / Tamil nadu	0.04	0.04	0.04	Implementing Agency
18	Contribution to CPCL Education Trust which runs the CPCL Polytechnic College	Education	Local Area / Chennai / Tamil nadu	0.70	0.70	0.70	Direct
19	Skill Development for Persons with Multiple Disabilities through NIEPMD	Skill Development	Local Area / Chennai / Tamil nadu	0.10	0.10	0.10	Implementing Agency
20	Science Lab and Mid Day Meals Building at Govt Higher Secondary School, Manali	Education	Local Area / Chennai / Tamil nadu	0.41	0.41	0.41	Implementing Agency
21	Smart Class & Language lab for Sarada Niketan College for Women	Education	Others / Karur / Tamil nadu	0.22	0.22	0.22	Implementing Agency
22	Empowerment of Women in Coastal villages through adoption of brackish water aquaculture and allied technologies	Skill Development	Local Area / Chennai & Nagapattinam / Tamil nadu	0.21	0.21	0.21	Implementing Agency
23	Skill Development for Poor and needy Women at Thakkar Bapa Vidyala Samiti, T Nagar	Skill Development	Local Area / Chennai / Tamil nadu	0.01	0.01	0.01	Implementing Agency
24	Scholarship to Meritorious Children	Education	Local Area / Chennai / Tamil nadu	0.13	0.13	0.13	Direct
25	School toilet Construction in Virudhunagar through SSA	Education	Others / Virudhunagar / Tamil nadu	0.20	0.20	0.20	Implementing Agency
26	School toilet Construction in Ramanathapuram through SSA	Education	Others / Ramanathapuram / Tamil nadu	0.50	0.50	0.50	Implementing Agency
27	Suport for repair & renovation of Schools & toilets in Nagapattinam district	Education	Local Area / Nagapattinam / Tamil nadu	1.23	1.23	1.23	Implementing Agency
28	Maintenance of School Toilets / School premises (Chennai)	Swachh Bharat	Local Area / Chennai / Tamil nadu	0.16	0.15	0.15	Implementing Agency
29	Maintenance of School Toilets (CBR)	Swachh Bharat	Local Area / Nagapattinam / Tamil nadu	0.04	0.04	0.04	Implementing Agency
30	Swachh Bharat Campaign & Awareness programme	Swachh Bharat	Local Area / Chennai & Nagapattinam / Tamil nadu	1.41	1.41	1.41	Direct / Implementing Agency



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 (₹ in crore)	Amount Spent on the Project or Programmes Sub-heads: (1) Direct Expenditure on Projects or Programme (2) Overheads (₹ in crore)	Cumulative Expenditure upto the reporting period (₹ in crore)	Amount Direct or through implementing Agency
31	Swachh Police Scout Boys Club under the control of Local Police station	Swachh Bharat	Local Area / Chennai / Tamil nadu	0.29	0.26	0.26	Direct
32	Construction of Toilets at Government Stanley Medical Hospital	Swachh Bharat	Local Area / Chennai / Tamil nadu	0.62	0.62	0.62	Implementing Agency
33	Contribution to Swachh Bharat kosh	Swachh Bharat	Others / PAN India	0.25	0.25	0.25	Direct
34	Contribution to Clean Ganga Fund	Swachh Bharat	Others / PAN India	0.25	0.25	0.25	Direct
35	Adoption of Villages through IIT Madras Gopurajpuram (including Vellalapakkam) and Panangudi Village	Swachh Bharat	Local Area / Nagapattinam / Tamil nadu	3.90	3.80	3.80	Implementing Agency
36	Construction of Toilets at Sri Sarada Niketan collage for Women	Swachh Bharat	Others / Karur / Tamil nadu	0.08	0.08	0.08	Implementing Agency
37	Construction of Toilets at Schools near CPCL CBR at Muttam Elementary School & Narimanam high School and Elementary School	Swachh Bharat	Local Area / Nagapattinam / Tamil nadu	0.20	0.13	0.13	Direct
38	Barrier free Utility area & toilets for Individuals with Multiple Disabilities (NIEPMD)	Swachh Bharat	Local Area / Chennai / Tamil nadu	0.10	0.10	0.10	Implementing Agency
39	Borewells in Boothangudi and Sannammangalam	Swachh Bharat	Local Area / Nagapattinam / Tamil nadu	0.30	0.30	0.30	Implementing Agency
40	Support for construction of Toilets in Anganwadis in Chennai	Swachh Bharat	Local Area / Chennai / Tamil nadu	0.25	0.25	0.25	Implementing Agency
41	Creche at Manali	Women Empowerment	Local Area / Chennai / Tamil nadu	0.03	0.03	0.03	Implementing Agency
42	Contribution to National Sports Development Fund (NSDF)	Sports	Others / PAN India	0.05	0.05	0.05	Direct
43	Contribution towards organizing of National/ State / District level Sports Tournaments	Sports	Local Area / Chennai & Nagapattinam / Tamil nadu	0.05	0.05	0.05	Direct
44	Assistive devices for Differently abled through ALIMCO at Chennai and Nagapattinam	Differently Abled	Local Area / Chennai & Nagapattinam / Tamil nadu	0.98	0.97	0.97	Implementing Agency
45	Assistive devices for Differently abled through ALIMCO at Virudhunagar and Ramanathapuram	Differently Abled	Others / Ramanathapuram & Virudhunagar / Tamil nadu	0.50	0.34	0.34	Implementing Agency

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 (₹ in crore)	Amount Spent on the Project or Programmes Sub-heads: (1) Direct Expenditure on Projects or Programme (2) Overheads (₹ in crore)	Cumulative Expenditure upto the reporting period (₹ in crore)	Amount Direct or through implementing Agency
46	Retrofitted Scooters for Differently abled - Request of District collector, Nagapattinam	Differently Abled	Local Area / Nagapattinam / Tamil nadu	0.25	0.25	0.25	Implementing Agency
47	Graveyard Road in Nagapattinam	Social Welfare	Local Area / Nagapattinam / Tamil nadu	0.12	0.04	0.04	Direct
48	Assistance to local people during natural calamities / livelihood projects	Livelihood Project	Local Area / Chennai & Nagapattinam / Tamil nadu	0.49	0.48	0.48	Implementing Agency
49	Construction of Community hall in Mappedu Panchayat (Kadambattur panchayat union)	Social Welfare	Local Area / Chennai / Tamil nadu	0.47	0.28	0.28	Implementing Agency
50	Evaluation of CSR & SD Activities for 2017-18	Others	Local Area & Others / Chennai, Nagapattinam & Karur / Tamil nadu	0.05	0.03	0.03	Implementing Agency
51	Contribution to Armed forces Flag day Fund	Armed Forces	Others / PAN India	0.10	0.10	0.10	Direct
TOTAL				20.08	18.89	18.89	



Annexure - V

M/s. Padmanabhan Ramani & Ramanujam

Chartered Accountants

1 F Arudhra, No.15 Habibullah Road

T.Nagar

Chennai- 600017

S. VISWANATHAN LLP

Chartered Accountants

No.17, Bishop Wallers Avenue (West)

C.I.T Colony, Mylapore,

Chennai 600 004

Compliance Certificate on Corporate Governance

To
The Shareholders of
Chennai Petroleum Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Chennai Petroleum Corporation Limited for the year ended March 31, 2019 as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 with the BSE Limited and NSE and the guidelines on Corporate Governance for Central Public Sector Enterprises, as enunciated by the Department of Public Enterprises (DPE).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as well as the DPE Guidelines for the year ended March 31, 2019, except for non-compliance relating to minimum number of Independent Directors on the Board which was less than the half of the total strength of the Board.

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

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

For Padmanabhan Ramani & Ramanujam

Chartered Accountants

FRN: 0025105

P. Ranga Ramanujam

Partner

Membership No: 022201

UDIN: 19022201AAAAAV1269

For S.Viswanathan LLP

Chartered Accountants

FRN: 0047705/S200025

V.C. Krishnan

Partner

Membership No: 022167

UDIN:19022167AAAAAC6239

Place : Chennai

Date : 11th June 2019

Annexure - VI

Management Discussion and Analysis

(Forming part of the Directors Report for the year ended 31.03.2019)

Economic Overview:

The global economy registered a growth rate of 3.6% during 2018-19, slightly lower than 3.8% registered during the previous year, reflecting a confluence of factors affecting major economies. This is mainly due to the escalation of US-China trade tensions, macro-economic stress in Argentina and Turkey, tighter credit policies in China, and financial tightening alongside the normalization of monetary policy in the larger advanced economies. As per the International Monetary Fund (IMF) report in April 2019, these have significantly contributed to weakened global expansion, especially in the second half of 2018. The Global growth, which peaked at close to 4 per cent in 2017, softened to 3.6 per cent in 2018, and is projected to decline further to 3.3 per cent in 2019. Due to this weakening global growth, there was an added downward pressure on prices of commodities at large, toward the end of 2018 and many economies adjusted to lower commodity revenues. Since the beginning of 2019, oil prices have recovered somewhat due to production cuts by oil-exporting countries. On the other hand, the prices of base metals have increased by 7.6 % since August 2018 as a result of supply disruption in some metal markets. Beyond 2020, the global growth is set to plateau at about 3.6 per cent, with growth contributions from China and India, who will continue to be the drivers of world economic growth as compared to other slower-growing advanced and emerging market economies.

The Indian economy registered a growth rate of 7.3 % during 2018-19, However during the last quarter of FY the same has been below 6%, which reflects the slowdown in line with global trend. The Indian economic growth is projected to pick up to 7.5 % in 2020, reflecting the inherent strength and long term potential growth supported by the continued recovery of investment and robust consumption. According to IMF report, medium growth prospects are favourable and expected to be around 7.5%, due to implementation of key reforms and appropriate fiscal and monetary policies.

During the year 2018-19, the growth rate of construction sector was higher at 8.9% against 5.7% in the previous year and that of Services and financial sectors was a tad higher at 6.8% against 6.6% in the previous year. Manufacturing sector recorded an accelerated growth rate of 8.6% in the current fiscal year as compared to 5.7% in 2017-18. Electricity sector too registered a healthy growth rate of 9.4% in 2018-19 as compared to 7.2% in the previous fiscal year. The growth rate in per capita income was marginally higher at 5.8% during 2018-19, as against 5.7% in the previous year.

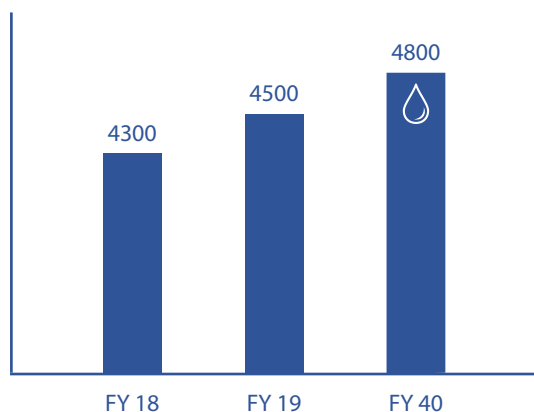
On the inflation front, the Indian economy registered a decrease in Consumer Price Index (CPI) at 2.86 % as on March 2019 against 4.28% at the end of March 2018. The Indian economic growth is expected to increase further in 2019-20 and with the implementation of GST, improvement in the overall tax collections in future is expected. Continuous implementation of people oriented schemes such as UJWALA, Swachh Bharat,

GIVE IT UP, and Direct Transfer of Benefits, are expected to improve the quality of living conditions for many BPL families and bring them into mainstream of economy.

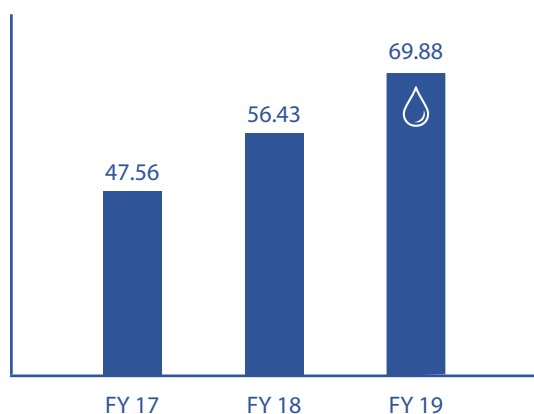
Energy Scenario

Developing economies which account for over 80% of the expansion in world output are responsible for shaping up the global economic and energy trends. As per BP Energy Outlook 2019, economic growth driven by increasing prosperity in the developing countries particularly India and China is expected to fuel the energy demand in future. This increasing trend in energy demand is also supported by the increasing energy needs of the growing population, which is expected to increase from the present level of 750 crore and reach 920 crore by 2040. The world primary energy demand is likely to grow at 1% CAGR till 2040 thus estimating to increase the global energy demand by around one third over the next 25 years. In absolute terms, the demand for primary energy is expected to increase from 13500 MTOE at present to 17800 MTOE by 2040, resulting in an additional demand of 4300 MTOE. Creation of necessary infrastructure to generate such a huge quantity of energy is a challenging task and needs huge investment.

Global Crude Oil Demand (MTOE)



Trend In Average Crude Oil Basket Price (\$ PER BBL)





As per the projections, the demand for world crude oil is expected to increase from around 4500 MTOE at present to 4800 MTOE by 2040 while the demand for Natural Gas is expected to increase from 3100 MTOE at present to 4600 MTOE by 2040, making Natural Gas as the second best fuel and almost equally as important as oil. Together, demand for Oil and Gas are expected to account for 53% of total energy consumption by 2040. The demand for world Coal is expected to remain stagnant at 3700 MTOE, dropping its share in primary energy to 20% from 28%. This is mainly on account of environmental concerns due to emissions for coal based power plants.

On the other hand, the renewable energy is expected to gain importance as the demand for these fuels, especially solar power, is likely to increase fivefold from the current level of 570 MTOE to 2700 MTOE by 2040 and its share in the overall demand will reach 15% making it as a critical energy input in the future. On the end user sector front, the industry sector will continue to be the highest contributor (42%) for energy demand followed by the buildings sector (32%) in future. The transport sector will contribute 20% of energy consumption in future. In spite of expected increase in demand for electric cars and CNG, oil is expected to continue to be a major source of fuel for transport sector especially for non-road and trucks accounting for majority of growth.

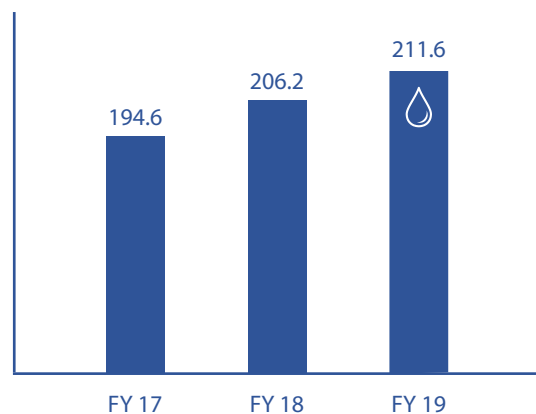
The Indian crude oil basket price experienced upward trend in the initial period of 2018-19 from \$69.22/bbl in April 2018 upto \$86/bbl in October 2018. Thereafter, the prices registered a downward momentum reaching the year's lowest crude price of \$57.77/bbl by December 2018. This downward price trend is due to the increased production of shale oil from the United States and the temporary waiver in the US sanctions on Iranian oil exports. Since the beginning of the year 2019, crude oil prices once again registered an upward momentum finally reaching the crude price of \$66.74/bbl in March 2019, mainly due to the production cuts by the oil exporting countries as per the IMF report in April 2019. The average Indian basket crude oil price for the year 2018-19 was \$69.88/bbl which is higher than the previous year price of \$56.43/bbl. The increased availability of crude oil in the global scenario coupled with the slight weakening of global economy may contribute to the stability of crude oil prices at the current level for the year 2019-20.

Refining Industry and Oil Market Developments

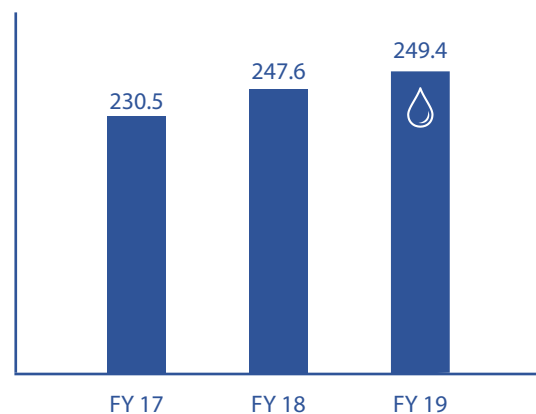
As per BP Energy Outlook 2019, despite the strong growth in renewables, the global market for oil and gas is likely to expand upto mid-2030s, before gradually plateauing, thus continuing to account for about 50% of primary energy. The level of global oil consumption is expected to increase from the present level of 98 MB/d to 108 MB/d by 2040 with most of the demand growth likely to stem from emerging economies – China and India. This growing demand in the developing economies would be met by increased supplies mainly from the US and OPEC.

As per PPAC data, the petroleum products consumption in India has increased from 206.2 MMT in the year 2017-18 to 211.6 MMT in 2018-19, registering a growth rate of 2.7%, whereas

Consumption of Petroleum Products (MMT)



Refining Capacity (MMT) (Incl. Exports)



the production of petroleum products has increased from 254.3 MMT in 2017-18 to 262.4 MMT in 2018-19, a growth rate of 3.2%. The refining capacity has increased from 247.6 as on March 2018 to 249.4 MMT during the year 2018-19 due to expansion of refining capacity by BPCL at Bharat Oman Refineries Limited, Bina. There is also increase in crude oil processed in Indian Refineries from 251.9 MMT in 2017-18 to 257.2 MMT in 2018-19. With nearly stagnant crude oil production in India, the Indian refineries continue to depend on crude oil imports from other countries. However, the natural gas production has registered a very slight increase from 32.6 BCM in 2017-18 to 32.9 BCM in 2018-19. The overall natural gas consumption in India also has increased to 59.1 BCM during the year as compared to 52.3 BCM in the previous year.

Opportunities and Challenges

As per the report of the working group formed by MoP&NG to assess the requirement of refining capacity by 2040, the refining capacity is expected to increase from the current level of 249.4 MMT to 438 MMT by 2030. In line with the projections and to meet the ever growing energy needs in the State of Tamilnadu and in other states, CPCL plans to set up a 9.0 MMTPA refinery

with necessary secondary processing facilities and infrastructure at its existing Cauvery Basin Refinery in Tamilnadu. In principle approval has been obtained and the Detailed Feasibility Report has been completed. In this regard, Memorandum of Understanding (MoU) was also signed between CPCL and Government of Tamil Nadu for the incentive package to CPCL according to structured package of support as per the Tamil Nadu Industrial Policy 2014.

We continue to see strong growth for petroleum products in the country. In addition to more transportation, the 10 billion people on the planet at the middle of this century will have greater demand for food, plastic resins and fibres, detergents, consumer products, pharmaceuticals, packaging, and countless other chemicals.

All these things will require increased production of petrochemicals. While the volume of refined products will continue to rise, the ratio of fuel to petrochemicals is expected to move in favour of petrochemicals. We may even see a new generation of refineries designed to produce only petrochemicals.

While EVs will capture part of share of the growing automobile market, liquid fuels are likely to remain the largest source for personal, commercial, air and marine transportation. For refineries, this will mean new investments to produce clean fuels, and integration with new petrochemical manufacturing.

In addition to the energy trends outlined above, the demand for natural gas is likely to grow robustly, supported by broad based demand, in meeting the energy requirements of industry and other sectors. To utilise these opportunities, CPCL has undertaken a project to utilise natural gas as internal fuel replacing the existing liquid fuels such as fuel oil and naphtha. Besides improving profitability, implementation of this project will also result in better environment conditions and improved flexibility in processing additional high sulphur crudes thus enhancing crude oil cost optimisation. With the commissioning of LNG from IOCL's Ennore terminal in March 2019, natural gas is available for CPCL and implementation of RLNG project is being carried out in phases starting from March 2019.

CPCL is continuously exploring the possibility of producing new value added products from the existing facilities. As a part of this, CPCL has produced JP-5 with revised specification during December, 2018. Also liquid Sulphur production was started from SRU thus minimising the pelletiser operation.

CPCL strongly upholds principles of Sustainability in its operations and accordingly has taken many initiatives in this direction. The company has identified a number of energy conservation schemes and implemented nine energy conservation schemes during the year 2018-19 resulting in reduced energy consumption by 31327 SRFT. Additional energy conservation avenues have been identified and are under implementation. These initiatives will lead to further reduction in energy consumption and will benefit both the profitability and environment. Further, CPCL has also undertaken various measures to increase water availability from the existing level of 8.0 MGD to 9.5 MGD by increased reuse of

treated effluents. New Effluent treatment unit ETP-IV, producing DM water from the effluent, was successfully commissioned in 2018. This along with the enhanced Desal Production has helped to reduce the Metro water intake to the tune of 1.5 MGD from February 2019 onwards.

As per BP Outlook 2019, Renewable energy is expected to grow strongly, with its share in global power markets increasing substantially. The growth in renewable energy is dominated by the developing world, with China, India and Other Asia accounting for almost half of the growth in global renewable power generation. To harness the expected growth opportunities emerging in renewable sources of energy sector, CPCL is planning to set up 70 MW Solar power generation units in a phased manner. In addition, CPCL has also put up roof top solar facilities on office buildings at Manali refinery to increase solar power usage.

The International Maritime Organisation (IMO) will enforce a new 0.5% global sulphur content cap for marine fuel from 1st January 2020 from the present level of 3.5% in response to heightening Environmental concerns from emissions contributed from Ships. This will offer an opportunity to refiners to produce this specialised product.

In general, the refiners are not taking the plunge by making huge investment to change the configurations, while most shipowners are adopting wait and see approach. The shift might take towards MGO as it fetches better margins. With regard to CPCL, since the company is not planning to produce HFO with 0.5 % Sulphur, the risk is not there but the opportunity of selling MGO will have to be evaluated based on the demand.

Risks and Concerns

CPCL has developed a well-defined Risk Management Policy Framework that enables the company to identify the risks and concerns including the possible mitigation measures. These risks are monitored periodically and mitigation measures are modified as per the requirements. Major risks and concerns identified include possible disruptions in crude supply due to geo political conditions, risks in logistics of Crude Oil Sourcing due to Freight rate volatility, disruptions in Port operations, variations in crude and product prices, changes in specification of auto-fuel quality to BS -VI standards, entry of new players in the market and need for continuous improvement in quality of products, non-availability of Metro/ground water and market dynamics.

Security of crude supply

Security in Crude supply is the key to continuous operation and profitability of Manali refinery. During the year 2018-19, 84% 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. During 2018-19, CPCL processed three new crudes namely Nemba, Basrah Heavy and Champion Export and expanded the crude basket further. At present CPCL has around 100 crude oils in crude basket and thus has the capability to crude procurement from multiple sources. The company also has the option to secure crude supply from Indian Strategic Petroleum Reserves created at Visakhapatnam, Mangalore and Padur in the event of any emergency.

Safety and Security

Safety and security aspects are very critical for continuous operation of units and for all stake holders in CPCL. Accordingly, a well-defined safety and security management systems have been established in the company with an objective to monitor safety and security conditions in all areas within the refinery premises and also outside the refinery. The Standard Operating Procedures (SoP) pertaining to each and every unit and Equipment is kept in place to ensure proper operation of the plants and equipments and are also continuously updated with the latest changes and modifications through the system of Management of Change (MoC). Multi-level safety and security audit systems enable and ensure continuous monitoring of safety and security aspects and also identify gaps that need to be rectified. In addition, audits by external agencies are also conducted periodically which enable to implement best practices from other refineries in CPCL. On-Site and Off-site mock drills are conducted periodically to test the preparedness of various components of Disaster Management System. Regular interaction is maintained with District authorities, Chennai Corporation authorities and other statutory agencies on security related issues. CCTV Cameras are used for surveillance purpose by CISF team and the system is further strengthened with addition of new units. It is also proposed to utilise more digital technologies for improving the surveillance methods and also for close monitoring of safety and security in CPCL. Continuous awareness has been created among employees and contract labour about various safety aspects of Operations and Maintenance of equipments. Periodic inspections of pipelines are carried out and security patrolling/surveillance system is in place. During the year, there were no instances of threat to safety of the installations.

Other risks

- I. Addressing to the risk of aged 30" Diameter Crude Oil line, demurrage, berth occupancy and Freight rate volatility, a new 42" Diameter crude oil line was commissioned on 24th December, 2018.
- II. With regard to variations in pricing of crude and products, CPCL's Refinery Business Optimisation model is able to optimise crude and product pattern in line with price trend. Further, additional investments for upgrading quality of products and for reduction of raw material cost usage of RLNG in place of Naphtha for production of Hydrogen and Power are at various stages of Implementation.

- III. There is also a latent risk with regard to need for continuous improvement in quality of products due to entry of new players in the market. The demand for energy in India is expected to increase significantly till 2040 and hence entry of new players in the market is not expected to have significant impact on CPCL. CPCL has undertaken a project to become BS-VI compliant for MS and HSD products by December, 2019. With regard to MARPOL specification, CPCL has no plan to produce Bunker Fuel and hence no impact.
- IV. To deal with the risk of non-availability of adequate crude at CBR and facilities to produce current specification products, owing to the fact that CBR at present is a simple topping refinery; CPCL proposes to set up a state of the art 9 MMTPA Capacity refinery at CBR with secondary processing facilities in place of the existing facilities. The DFR has been completed and investment approval is expected during 2019.

Implementation of BS-VI specification for MS and HSD

As per BS-VI specification for auto fuels to improve environmental conditions in India, all Indian Refineries need to reduce sulphur content in automotive fuels – Motor Spirit (MS) and High Speed Diesel (HSD) and supply the same effective from April 2020. In line with this requirement, CPCL is setting up a new FCCU Gasoline Treatment Plant to meet MS quality standards and revamping the existing DHDT unit capacity to produce 100% BS-VI quality compliant HSD, with an estimated investment of ₹ 1858 crore. The project is expected to be completed during 2019-20.

Internal Control Systems and their Adequacy

The Directors' Report has adequately dealt with this subject.

Financial Performance

The Directors' Report has adequately dealt with this subject.

Operational Performance

The Directors' Report has adequately dealt with this subject.

Material Developments and Human Resources / Industrial Relations

The Directors' Report has adequately dealt with this subject.

Cautionary Statement

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

Annexure - VII

Business Responsibility Report (BRR) 2018-19

S. No.	Query	Response																				
Section A: General Information about the Company																						
1.	Corporate Identity Number (CIN)	L40101TN1965GOI005389																				
2.	Name of the Company	CHENNAI PETROLEUM CORPORATION LIMITED																				
3.	Registered Address	Chennai Petroleum Corporation Limited; No.536, Anna Salai, Teynampet, Chennai-600018																				
4.	Website	www.cpcl.co.in																				
5.	Email id	sld@cpcl.co.in																				
6.	Financial Year reported	2018-19																				
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	<p>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.</p> <table border="1"> <thead> <tr> <th>Group</th> <th>Class</th> <th>Sub-class</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>192</td> <td>1920</td> <td>19201</td> <td>Production of liquid and gaseous fuels, illuminating oils, lubricating oils or greases or other products from crude petroleum or bituminous minerals</td> </tr> <tr> <td></td> <td></td> <td>19202</td> <td>Manufacture of paraffin wax</td> </tr> <tr> <td></td> <td></td> <td>19203</td> <td>Bottling of LPG/CNG</td> </tr> <tr> <td></td> <td></td> <td>19209</td> <td>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)</td> </tr> </tbody> </table>	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)
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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:	3																				
	(i) Number of International locations:	NIL																				
	(ii) Number of National locations: (as on 31.03.2019)	<p>Operating Refineries: 2</p> <p>Manali Refinery, Manali, Chennai- 600068</p> <p>Cauvery Basin Refinery, Panangudi Village, Nagapattinam District, Tamilnadu</p> <p>Wind Power Project: 1 (Pushpathur, Tamilnadu)</p>																				
10.	Markets served by the Company-Local/State/National/International	National																				
Section B: Financial Details of the Company																						
1	Paid up capital as on 31.03.2019 :	₹ 148.91 crore																				
2	Total turnover for the FY 2018-19 :	₹ 52177 crore																				
3	Total profit after taxes for FY 2018-19 :	₹ (213) crore																				
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) :	The Company contributes to the CSR activities as per the provisions of the Companies Act 2013. A sum of ₹ 18.89 crore was spent during the year 2018-19 for various CSR&SD Projects.																				
5	List of activities in which expenditure in 4 above has been incurred :	The broad areas, where the expenditure is incurred are towards Health, Education, Swachh bharat activities, Distribution of appliances for disabled etc																				

Figures in bracket indicates loss.



Section C: Other Details

1	Does the Company have any Subsidiary Company/ Companies?	NIL
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not applicable
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No other entities with which the company does business participate in the BR initiatives of the company.

Section D: BR Information

1	Details of Director/Directors responsible for BR	
	a) Details of the Director/Director responsible for implementation of the BR policy/policies	
	Director name :	Shri. Rajeev Ailawadi
	DIN	DIN 07826722
	Designation	Director(Finance) in charge of HR
	b) Details of the BR Head	
	1. DIN Number (if applicable)	NA
	2. Name	Shri P.Shankar
	3. Designation	Company Secretary
	4. Telephone number	044- 24346807
	5. e-mail id	shankarp@cpcl.co.in
2	Principle-wise (as per NVGs) BR Policy / policies (Reply in Y/N):	<p>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:</p> <p>P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.</p> <p>P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.</p> <p>P3 - Businesses should promote the well-being of all employees.</p> <p>P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantages, vulnerable and marginalised.</p> <p>P5 - Businesses should respect and promote human rights.</p> <p>P6 - Businesses should respect, protect and make efforts to restore the environment.</p> <p>P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.</p> <p>P8 - Businesses should support inclusive growth and equitable development.</p> <p>P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.</p>

	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 of the company and the changing business environment, CPCL constantly reviews its business policies and practices towards developing a sustainable business agenda. Industry practices/standards at National level are kept in view while devising such policies.								
Does the policy confirm to any national / international standards? If yes, specify? (50 words)	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.								
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/policies https://www.cpcl.co.in/safety https://www.cpcl.co.in/corporategovernance https://www.cpcl.co.in/marketing								
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 2017-18 can be accessed from the following link: https://www.cpcl.co.in/corporategovernance . The Business Responsibility Report will be published as a part of the Annual Report for the year 2018-19 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 988 queries, requests and complaints from the shareholders during the year 2018-19, which were subsequently resolved.
	Other complaints during the year	Nil Moreover, during the year, 12 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 spent more than ₹ 4000 crore towards quality improvement of its transportation fuels, namely Motor Spirit (MS) & High Speed Diesel (HSD), which constitute two of its major products from Manali Refinery. Further, in order to supply BS-IV grade Diesel from Manali Refinery, the company has spent about ₹ 310 Crore. CPCL is also implementing a project to produce MS & HSD meeting BS-VI quality norms at an estimated cost of about ₹ 1858 Crore. The project consists of the following:- i) A new 0.6 MMTPA Gasoline Desulphurisation Unit (GDS). ii) Revamp of the existing Diesel Hydro Treating (DHDT) unit from 1.8 MMTPA to 2.4 MMTPA iii) Associated off-site facility.

	<p>CPCL's R&D centre has carried out the following initiatives:</p> <ul style="list-style-type: none"> • Project on Recovery of Hydrocarbon from crude sludge by Microwave (MW) assisted pyrolysis was done with IITM. Two sludge samples were taken for the study and the oil yield after MW assisted pyrolysis were 81.5 wt % and 42.7 wt % respectively. • A Pilot plant Study has been completed on production of Low Sulphur Kerosene by adsorptive desulphurization technique. • A collaborative project for Recovery of hydrocarbon from crude sludge via microwave-assisted pyrolysis was carried out jointly with IIT-M, Chennai. • A research project, funded by CHT, on "Cultivation of Algae in Raceway Ponds and production of Renewable crude & liquid hydrocarbon fuels from algae" is under progress. • Conversion of dicyclopentadiene (DCPD) to JP-10 using commercial Ni-based hydrogenation catalyst & in-house prepared isomerization catalyst (10% Ni- Hβ Zeolite) was studied. <p>These initiatives helps the Company to meet the stringent environmental norms.</p>
<p>List of 3 such products</p>	<p>List of such products or services:</p> <p>At present, CPCL is supplying 100% BS – IV MS & HSD. We have also have the following future targets:</p> <p>100% BS – VI MS & HSD ; From 01.04.2020.</p> <p>Majority of the fuel products produced by CPCL are being marketed by Indian Oil Corporation Limited, the holding Company.-</p>
<p>2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):</p> <p>i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?</p> <p>ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?</p>	<p>Lower negative impact on Environment</p> <p>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. At present, maximum sulphur content in CPCL's BS-IV petrol & diesel is as low as 50 ppm. The sulphur content of these products would be further reduced to less than 10 ppm by 1st April 2020, when the company would be supplying 100 % BS – VI MS & HSD.</p> <p>Efficiency in crude oil sourcing & vessel utilization:</p> <p>Opening crude inventory for FY 2018-19 was 21.6 days and the closing inventory was 21.2 days, which is less than the desirable level of about 23 days. Against MoU throughput of 10500 TMT, CPCL achieved 10695 TMT in 2018-19 and CPCL was able to procure additional crude to meet the increased processing requirement, while keeping the inventory under control.</p>



	<p>Energy Conservation:</p> <p>The following major Encon measures were undertaken in 2018-19:</p> <ul style="list-style-type: none"> • Installation of Hot Separator in Diesel Hydro-Desulphurisation unit • Routing of Impure Hydrogen (Net gas) to Diesel Hydro-treating unit • Reduction of stripper stripping steam in Delayed Coker unit Light Coker Gas Oil • Routing of Crude Distillation Unit-I Superior Kerosene to Tamilnadu Petro-products Ltd. instead of Crude Distillation Unit-II Superior Kerosene • Installation of 2" control valve in Hydrogen Generation Unit to minimize Hydrogen flaring • Provision of Cooling Water booster pump facility in Isomerisation unit Liquefied Petroleum Gas section • Replacement of Crude Distillation Unit-II Air Pre-heater • Delayed Coker unit Naphtha Splitter bypass to route Light coker Naphtha and Heavy coker Naphtha to Diesel Hydro-treating unit • New Fuel Gas Interconnection from Refinery-III to Refinery I & II to minimise Fuel gas Flaring <p>The above measures resulted in an estimated savings of about 31,300 Standard Refinery Fuel Tonnes/annum (0.3% savings on Fuel & Loss)</p>
3. Does the company have procedures in place for sustainable sourcing (including transportation)?	Yes.
i. If yes, what percentage of your inputs was sourced sustainably?	Oil & Gas sector is particularly vulnerable to sectoral threats like depletion of resources and geo-political uncertainties. The Company has long and short term contracts in place for its crude oil procurement. Moreover, the Company has diversified its global fuel sourcing centers. Further, efforts are put for optimization of crude basket and to minimize inventories. About 20% is sourced through indigenous sources, 80% imported, through long term & short term firm contracts.
	Company has implemented e-Tendering, e- Procurement and e-Payment. A progress of 95% in Materials Procurement and 100% in Works Contracts was achieved in 2018-19. An MoU has been entered into with Transparency International India (TII) for implementing an Integrity pact programme focused on enhancing transparency in business transactions, contracts and procurement processes.
	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?	<p>As per the Public Procurement Policy for MSEs, CPCL achieved a target of 26.09% of the total procurement / service excluding Crude, which is higher than the 25% target set for annual procurement from MSEs and 0.77% was achieved against the sub-target of 5% for procurement earmarked for enterprises owned by SC/ST entrepreneurs and 1.07% was achieved against the sub-target of 3% for procurement earmarked for enterprises owned by Women entrepreneurs. The remaining 4.23% and 1.93% out of 5% and 3% sub -targets earmarked for procurements from MSEs owned by SC/ST and Women respectively were achieved by way of procurement from other micro and small enterprises in line with the policy.</p> <p>Several initiatives were undertaken to identify the entrepreneurs for procurement of goods and services from MSEs owned by SC/ST and Women Entrepreneurs by way of conducting vendor development programmes.</p>

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	CPCL makes continuous efforts to recycle products and waste through installation of Effluent Treatment Plants, Sewage Treatment Plants and other sustainable practices like bio-remediation of oily sludge, rainwater harvesting, etc. During the year, about 94.5% of treated effluent was reused in refinery operations and 3519 MT of oily sludge was treated for oil recovery.																
3 Principle 3																	
1. Please indicate the Total number of employees.	Total number of employees as on 31.3.2019 is 1726.																
2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.	No persons are working as casual laborers/temporary workers. CPCL awarded job contracts to contractors at its various locations for several ongoing projects as well as for operational needs. The contractors, in turn, engaged approx 6802 (average) contract workers during the year. CPCL, as a principle 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 31.3.2019 is 87.																
4. Please indicate the Number of permanent employees with disabilities.	There are 38 permanent employees with disabilities.																
5. Do you have an employee association that is recognized by management?	Yes. Chennai Petroleum Employees' Union (CPEU) represents the non-executive employees and Chennai Petroleum Officers' Association (CPOA) represents the executives. Both are recognized by the Management.																
6. What percentage of your permanent employees is members of this recognized employee association?	Over 90% of the employees (non-executives and executives) are members of the recognized union and officers' association																
7. Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial yr and pending, as on the end of the financial yr.	As given below: <table border="1" data-bbox="719 1123 1458 1349"> <thead> <tr> <th>Sl. No.</th> <th>Category</th> <th>No. of complaints filed during 2018-19</th> <th>No. of complaints pending as on end of the financial yr</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Child labour/forced labor/ involuntary labor</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>2</td> <td>Sexual harassment</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>3</td> <td>Discriminatory employment</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table>	Sl. No.	Category	No. of complaints filed during 2018-19	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
Sl. No.	Category	No. of complaints filed during 2018-19	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?	<table border="1" data-bbox="719 1370 1458 1613"> <thead> <tr> <th>Category</th> <th>% of employees given safety & skill up-gradation training during 2018-19</th> </tr> </thead> <tbody> <tr> <td>Permanent Male employees</td> <td>79 %</td> </tr> <tr> <td>Permanent Women Employees</td> <td>89 %</td> </tr> <tr> <td>Permanent Employees with Disability</td> <td>82 %</td> </tr> <tr> <td>Casual/Temporary/ Contractual Employees/Contract labor</td> <td>95%</td> </tr> </tbody> </table>	Category	% of employees given safety & skill up-gradation training during 2018-19	Permanent Male employees	79 %	Permanent Women Employees	89 %	Permanent Employees with Disability	82 %	Casual/Temporary/ Contractual Employees/Contract labor	95%						
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Casual/Temporary/ Contractual Employees/Contract labor	95%																



4 Principle 4	
1. Has the company mapped its internal and external stakeholders? Yes/No	Yes.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes. The company has identified its disadvantaged, vulnerable and marginalized stakeholders.
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	<p>Yes. For engagement of disadvantaged, vulnerable and marginalized external stakeholders, CSR initiatives are undertaken. During the year 2018-19, CPCL has spent an amount of ₹ 18.89 Crore on CSR for the benefit of the under-privileged section of the society.</p> <p>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 388 SC employees and 47 ST employees constituting 22.48% and 2.72% of the total manpower respectively.</p>
5 Principle 5	
1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs/ Others?	The policy of the company covers human right principles. As a part of the commitment towards meeting its societal needs, CPCL believes in safeguarding human rights within its sphere of influence.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaint on human rights violations was received during 2018 – 19.
6 Principle 6	
1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.	The policy on Health, Safety and Environment (HSE) covers the Company only. CPCL is committed to conduct business with a strong environmental conscience ensuring sustainable development, safe work places and enrichment of quality of life of employees, customers and the community residing in the neighbourhood of its refineries in Manali and Cauvery Basin in Nagapattinam.
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	<p>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.</p> <p>The Board Committee on CSR & Sustainable Development is the apex body to plan strategies and monitor Sustainable Development initiatives.</p> <p>Corporate Sustainability Report is published annually which gives a full account of all Sustainable Development initiatives, environmental, social and economical performances of the Company. The objectives of the company including best practices on Safety, Health and Environment Management System can be accessed through the link https://www.cpcl.co.in/safety</p>
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 a mandatory requirement for statutory clearance.
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	The Company does not have any project, related to Clean Development Mechanism.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes. CPCL is continuously striving for adopting new initiatives and is a pioneer in renewable energy in oil sector.																
	<p>a) Solar Energy:</p> <p>CPCL currently operates three roof top solar photovoltaic (PV) installations viz., 150 KW at CPCL CBR Refinery, 20 KW at CPCL Corporate office and 25 KW at CPCL Polytechnic. In addition, CPCL has installed 25 KW of rooftop based Solar Power facilities in the refinery premises. CPCL is exploring the possibility of increasing solar power capacity in the coming years.</p>																
	<p>b) Wind Energy:</p> <p>CPCL commissioned 22 wind mills with an installed capacity of 17.6 MW at Pushpathur, TamilNadu in the year 2007 and has been generating wind energy since then successfully. The power generated from the Windmill is being used to meet the energy requirement of CPCL's Desalination plant through wheeling arrangement with TNEB.</p>																
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 2018-19 are as follows:																
	<p>CPCB:</p> <ol style="list-style-type: none"> 1. NGT: CPCB filed a case in NGT towards non compliance of notice served under section 5 (non closure of unit) and the case is under hearing. 2. NGT: Case filed by V.P.Krishnamurthy on ground water contamination due to Tondiarpet Oil leak was given with the verdict of relieving CPCL from the case in Feb 2019. 																
	<p>TNPCB:</p> <p>No Show Cause Notice was received from TNPCB in the year 2018-19.</p>																
7 Principle 7																	
1. Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:	<p>Yes. The details are provided below:</p> <table border="1" data-bbox="719 1327 1449 1630"> <thead> <tr> <th>Associations</th> <th>Natl/Int'l</th> </tr> </thead> <tbody> <tr> <td>a) Transparency International India (TII)</td> <td>National</td> </tr> <tr> <td>b) Federation of Indian Petroleum Industry (FIPI)</td> <td>National</td> </tr> <tr> <td>c) Confederation of Indian Industry</td> <td>National</td> </tr> <tr> <td>d) Standing Conference of Public Enterprises (SCOPE)</td> <td>National</td> </tr> <tr> <td>e) Madras Chamber of Commerce & Industry (MCCI)</td> <td>National</td> </tr> <tr> <td>f) Global Compact Network (GCN)</td> <td>National</td> </tr> <tr> <td>j) Manali Industries Association (MIA)</td> <td>National</td> </tr> </tbody> </table>	Associations	Natl/Int'l	a) Transparency International India (TII)	National	b) Federation of Indian Petroleum Industry (FIPI)	National	c) Confederation of Indian Industry	National	d) Standing Conference of Public Enterprises (SCOPE)	National	e) Madras Chamber of Commerce & Industry (MCCI)	National	f) Global Compact Network (GCN)	National	j) Manali Industries Association (MIA)	National
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f) Global Compact Network (GCN)	National																
j) Manali Industries Association (MIA)	National																
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes, In association with various national bodies, the Company actively participates and firms up opinions on Industry related issues which have significant impact on public policy. References of different ministries of the government are attended to with in-depth analysis. CPCL is a member of UN Global Compact Network and extends support in implementing the ten guiding principles in United Nations agenda on human rights, labour standards, environment and anti-corruption.																



8 Principle 8

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. The scheme-wise list of CSR&SD activities are given below

The details of Community Development Projects are as under (₹ in Crore)

S.No.	CSR Project	Amount Spent
1	Running of 4 Community Health Care Centers	0.61
2	Equipments for Manali Community health care Centre and their Running and Maintenance	0.23
3	Optical Microscope for Community Ophthalmic Centre of Sankara Nethralaya	0.35
4	Equipments for Institute of Child Health, Egmore	0.10
5	Ventillators for Pediatric Department of Govt Stanley Hospital, Chennai	0.10
6	Medical Camps	0.07
7	Cancer Screening and Treatment of Women in Manali and Thiruvottiyur, near CPCL Manali Refinery through Cancer Institute, Chennai for 5 years	1.50
8	Neuro Intensive Rehabilitation Lab for Neurology Department, Rajeev Gandhi Govt General Hospital(MMC), Chennai	0.19
9	Supply of Various Equipments for Health care in Virudhunagar District	0.18
10	Construction of new Health Sub-centre building at Gangagulam village in Virudhunagar District	0.30
11	Mobile Medical Unit through Helpage India in Ramanathapuram District	0.18
12	Construction of 1 Health Sub-centre building & procurement of dental X-ray and multipara monitors in Ramanathapuram	0.38
13	Mobile Medical Unit through Helpage India in Nagapattinam District	0.18
14	Support to Oncology Block at Govt Multi Super Speciality Hospital, Chennai	0.39
15	Skill Development Courses for the Blind Through Tamil Nadu Association of Blind	0.06
16	Graphics design Skill Development for Poor and needy youth	0.10
17	Tailoring Course for Rural Women of Tamil nadu	0.04
18	Contribution to CPCL Education Trust which runs the CPCL Polytechnic College	0.70
19	Skill Development for Persons with Multiple Disabilities through NIEPMD	0.10
20	Science Lab and Mid Day Meals Building at Govt Higher Secondary School, Manali	0.41
21	Smart Class & Language lab for Sarada Niketan College for Women	0.22
22	Empowerment of Women in Coastal villages through adoption of brackish water aquaculture and allied technologies	0.21

(₹ in Crore)

S.No.	CSR Project	Amount Spent
23	Skill Development for Poor and needy Women at Thakkar Bapa Vidyala Samiti, T Nagar	0.01
24	Scholarship to Meritorious Children	0.13
25	School toilet Construction in Virudhunagar through SSA	0.20
26	School toilet Construction in Ramanathapuram through SSA	0.50
27	Support for repair & renovation of Schools & toilets in Nagapattinam district	1.23
28	Maintenance of School Toilets / School premises (Chennai)	0.15
29	Maintenance of School Toilets (CBR)	0.04
30	Swachh Bharat Campaign & Awareness programme	1.41
31	Swachh Police Scout Boys Club under the control of Local Police station	0.26
32	Construction of Toilets at Government Stanley Medical Hospital	0.62
33	Contribution to Swachh Bharat kosh	0.25
34	Contribution to Clean Ganga Fund	0.25
35	Adoption of Villages through IIT Madras Gopurajpuram, Vellalappakkam and Panangudi Village	3.80
36	Construction of Toilets at Sri Sarada Niketan college for Women	0.08
37	Construction of Toilets at Schools near CPCL CBR at Muttam Elementary School & Narimanam high School and Elementary School	0.13
38	Barrier free Utility area & toilets for Individuals with Multiple Disabilities (NIEPMD)	0.10
39	Borewells in Boothangudi and Sannammangalam	0.30
40	Support for construction of Toilets in Anganwadis in Chennai	0.25
41	Creche at Manali	0.03
42	Contribution to National Sports Development Fund (NSDF)	0.05
43	Contribution towards organizing of National/ State / District level Sports Tournaments	0.05
44	Assistive devices for Differently abled through ALIMCO at Chennai and Nagapattinam	0.97
45	Assistive devices for Differently abled through ALIMCO at Virudhunagar and Ramanathapuram	0.34
46	Retrofitted Scooters for Differently abled through District collector, Nagapattinam	0.25
47	Graveyard Road in Nagapattinam	0.04
48	Assistance to local people during natural calamities / livelihood projects	0.48
49	Construction of Community hall in Mappedu Panchayat (Kadambattur panchayat union)	0.28
50	Evaluation of CSR & SD Activities for 2017-18	0.03
51	Contribution to Armed forces Flag day Fund	0.10
	TOTAL	18.89



2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?	The CSR activities of CPCL are executed directly / through a Trust (CPCL Educational Trust) / implementing agencies / Govt. departments / External NGOs- charitable Trusts, etc. Some activities like distribution of aids/ appliances for disabled are also executed in collaboration with other PSUs.
3. Have you done any impact assessment of your initiative?	Yes. The evaluation of CSR activities for the year 2017-18 including impact assessment was carried out by Madras School of Social Work 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. health care, education and scholarships, skill development programs, provision of drinking water, distribution of aids / appliances to disabled, sanitation, Swachh bhara activities, etc. are undertaken with focus on the economically and socially deprived sections of society, mostly around its refineries in Manali and Cauvery Basin, Nagapattinam.
9 Principle 9	
1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	No customer complaints are pending as on 31.03.2019.
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)	<p>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.</p> <p>Certificate of Conformity along with BIS licence no. is issued for FG Hexane as per BIS regulation with each consignment.</p> <p>BIS licence is printed on each bag on Paraffin wax (All grades)</p> <p>Specification of Feedstock and other products are supplied to downstream industries are firmed up and agreed between Buyer and Seller.</p>
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	NIL
4. Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes. Besides regular customer engagement initiatives, the Company conducts consumer survey / market feedback through Customer meets to improve upon deliverables to meet customer expectations.

Annexure - VIII

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration 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 of M/s. CHENNAI PETROLEUM CORPORATION LIMITED (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 31st March 2019, has 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 31st March 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The provisions of the Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- (iv) The provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder as applicable. The Company does not have any External Commercial Borrowings or Overseas Direct Investment.
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") are applicable to the Company:

- (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, 2009;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Guidelines, 2014; Not Applicable for the year under review.
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable for the year under review
- (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 for the year under review
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable for the year under review and
- (i) The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015
- (vi) Corporate Governance Voluntary Guidelines - 2009 issued by the Ministry of Corporate Affairs, Government of India;
- (vii) Guidelines on Corporate Governance for Public Sector Enterprises issued by Department of Public Enterprises.
- (viii) All other laws which are applicable specifically to the Company in the Petroleum and Refining sector.

We have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards issued by The Institute of Company Secretaries of India.
- b. The Listing Agreements entered into by the Company with National Stock Exchange and BSE Ltd

During the period under review the Company has complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above subject to the information given below to us by the Company.

We report that, during the period under review:

- a. The Company has partially redeemed 500,000,000 Non-Convertible Cumulative Redeemable Preference shares



- of ₹ 10/- each amounting to ₹ 5,000,000,000/- as per the approval accorded by the Board at the Meeting held on 5th April 2018.
- b. During the financial year 2018-19, One Separate meeting of Independent Directors was held on 29.10.2018 and the company has complied with the requirement of Regulation 25 (3) of SEBI (LODR) Regulations, 2015.
- c. The Company has received three notices from NSE vide their letter dated 05.11.2018, 31.01.2019 and 02.05.2019 levying a penalty of ₹ 5,42,800/-, 5,42,800/- and ₹ 5,31,000/- (inclusive of GST) respectively and BSE vide their letters dated 31.10.2018, 31.01.2019 and 02.05.2019 levying a penalty of ₹ 5,42,800/-, ₹ 5,42,800/- and ₹ 5,31,000/- (inclusive of GST) respectively for Non-Compliance by CPCL with the requirement of Non-Appointment of requisite number of Independent Directors. The Company vide their reply letters dated 19.11.2018, 04.02.2019 and 06.05.2019 to NSE and vide reply letters dated 13.11.2018, 01.02.2019 and 03.05.2019 to BSE sought waiver of the above penalties stating 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.
- d. As per the Regulation 18(2)(b) of Securities Exchange Board of India, (Listing Obligations and Disclosure Requirements), 2015 the quorum for the Audit Committee meeting held on 30.07.2018 and 24.08.2018 were not met, since the Independent Directors were given leave of absence. The same was disclosed in the Corporate Governance Report filed with NSE and BSE for the quarter ended 30.09.2018.
- e. Cancellation of un-subscribed share capital of ₹ 20,86,89,000/- comprising un-subscribed portion of ₹ 4,99,27,000 and ₹ 15,87,62,000 by Government of India and Amoco India Inc. respectively in the Rights Issue made by the company in the year 1984, representing 2,08,68,900 shares of ₹ 10/ each, approved by the shareholders at the 52nd Annual General Meeting held on 24.08.2018.
- f. Cancellation of 2,19,700 equity shares of ₹ 10/- each for ₹ 21,97,000/- forfeited by the Board of Directors of the Company for non-payment of Allotment / first and final call money, approved by the shareholders at the 52nd Annual General Meeting held on 24.08.2018.
- g. Redemption of 10,000 Nos of 9.65% Secured Redeemable Non-Convertible Bonds in the nature of Debenture (Series - II) of ₹ 10,00,000/- each aggregating to ₹ 1000 crore on 10.01.2019.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The company has complied with requirements of Uniform Listing Agreement entered into with the BSE Ltd. and National Stock Exchange of India Limited and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except the requirement relating to Independent Directors on the Board. The Company has made representation to the Government of India to appoint additional Independent Directors on the Board and the same is under the consideration of Government of India.

Adequate notice is given to all Directors to schedule the Board Meetings; Agenda and detailed notes on agenda were sent seven days in advance, 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.

All the decisions are taken unanimously and the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that 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.

For S Sandeep & Associates

S Sandeep
Managing Partner
FCS No.: 5853
C P No.: 5987

Place: Chennai
Date: 24.05.2019

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

'Annexure A'

To,
The Members,
Chennai Petroleum Corporation Limited
No 536, Anna Salai, Teynampet,
Chennai 600 018

Our report is to be read along with this letter.

1. Maintenance of secretarial record 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/ clarification on the methodology of compliance with the applicable laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is 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 of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For S Sandeep & Associates

S Sandeep
Managing Partner
FCS No.: 5853
C P No.: 5987

Place: Chennai
Date: 24.05.2019



Annexure - IX

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

1. Relationship with Entities

A. Details of Holding Company

i) 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-19	31-Mar-18
• Sale of Product and Services	46947.92	39870.40
• Dividend on Preference Shares	66.50	66.5
• Dividend paid on Equity Shares	142.94	162.27
• Sale of Scrap / Catalyst	1.03	0.15
• EDP Maintenance	3.01	2.53
• Other Non operating Income	3.51	3.24
• Purchase of Raw Material	981.62	316.92
• Purchase of Stock-in-Trade	207.78	191.33
• Purchase of Stores & Spares	5.47	4.96
• Canalising commission	2.50	2.50
• Terminalling Charges	8.74	8.36
• Rental Expenditure	2.07	2.71
• Purchase of RLNG	6.88	-
• Creation of capital facilities by IOCL	8.11	10.04
• Capital Advances	0.79	13.67
• Outstanding Receivables	1360.02	1308.80
• Outstanding payables		
Trade Payables	2973.57	4022.82
Preference Shares (at face value)	500.00	1000.00

B. Details of Joint Ventures

i) Indian Additives Limited

(₹ in Crore)

Particulars	31-Mar-19	31-Mar-18
• Investment	11.83	11.83
• Sale of Product	51.52	42.03
• Rental income	0.58	0.56
• Dividend received	5.92	5.92
• Sale of Water	-	0.01
• Outstanding Receivables	3.46	1.60

ii) National Aromatics & Petrochemicals Corp. Limited

(₹ in Crore)

Particulars	31-Mar-19	31-Mar-18
• Investments in Joint Venture Entities/ Associates*	0.03	0.03

* The Investment has been fully provided for diminution in value (Note - 4)

C. Entities Over which KMP has significant influence

(₹ in Crore)

i) CPCL Educational Trust

Particulars	31-Mar-19	31-Mar-18
• CSR Expenses	0.70	0.62

D. Associates of Holding Company

(₹ in Crore)

i) IOT Infrastructure & Energy Services Limited

Particulars	31-Mar-19	31-Mar-18
• Terminalling/Bottling Charges	1.58	18.48
• Capital Projects	8.10	19.76
• Outstanding payable	11.71	8.83

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.

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

2) Key Managerial Personnel**A. Whole Time Directors / Company Secretary**

- 1) Shri.B.Ashok (Non - Executive Chairman) (Upto 31.5.2017)
- 2) Shri.Sanjiv Singh (Non - Executive Chairman)
- 3) Shri Gautam Roy (Upto 31.1.2018)
- 4) Shri S.Venkataramana (Upto 31.7.2017)
- 5) Shri U.Venkataramana (Upto 31.7.2018)
- 6) Shri S.Krishna Prasad (Upto 31.1.2018)
- 7) Shri S.N. Pandey
- 8) Shri G.Aravindan
- 9) Shri Rajeev Ailawadi (w.e.f 08.5.2018)
- 10) Shri R.Srikanthan (w.e.f 13.8.2018)
- 11) Shri P.Shankar



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

- 1) Shri.K.M.Mahesh (Upto 24.11.2017)
- 2) Shri.Mrutunjay Sahoo
- 3) Dr.P.B.Lohiya
- 4) Smt. Perin Devi
- 5) Shri. B.V. Rama Gopal (w.e.f. 5.4.2018)
- 6) Shri D. Duraiganesan (w.e.f. 14.8.2018)
- 7) Shri.Mohammad Bagher Dakhili
- 8) Shri Babak Bagherpour (w.e.f 27.03.2019)

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

For the Year ended 31-Mar-19

(₹ in Crore)

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Sitting Fee	Outstanding loans/advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri S.N. Pandey	0.51	0.08	-	-	0.59	-	0.01
2) Shri G.Aravindan	0.52	0.08	-	-	0.60	-	-
3) Shri Rajeev Ailawadi	0.35	0.06	-	-	0.41	-	-
4) Shri R.Srikanthan	0.37	0.09	0.02	-	0.48	-	-
5) Shri U.Venkata Ramana	0.17	0.03	-	-	0.20	-	-
6) Shri P.Shankar	0.48	0.07	-	-	0.55	-	0.11
B. Independent / Government Nominee Directors#							
1) Shri Mrutunjay Sahoo	-	-	-	-	-	0.06	-
2) Dr.P.B.Lohiya	-	-	-	-	-	0.06	-
3) Shri D. Durai Ganesan	-	-	-	-	-	0.02	-
TOTAL	2.40	0.41	0.02	-	2.83	0.14	0.12

Sitting fees paid to Independent Directors

For the Year ended 31-Mar-18

(₹ 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 Gautam Roy	0.44	0.06	0.11	-	0.60	-	-
2) Shri S.Venkataramana	0.23	0.11	0.30	-	0.64	-	-
3) Shri U.Venkata Ramana	0.48	0.05	0.06	-	0.60	-	0.02
4) Shri S.Krishna Prasad	0.33	0.05	0.04	-	0.42	-	-
5) Shri P.Shankar	0.39	0.06	0.04	-	0.49	-	0.04
6) Shri S.N. Pandey	0.05	0.01	-	-	0.06	-	0.01
7) Shri G.Aravindan	0.07	0.01	-	-	0.08	-	-
B. Independent / Government Nominee Directors*							
1)Shri Mrutunjay Sahoo	-	-	-	-	-	0.03	-
2)Dr.P.B.Lohiya	-	-	-	-	-	0.05	-
TOTAL	1.99	0.35	0.55	-	2.89	0.08	0.07

* Sitting fees paid to Independent Directors

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

3) Trusts

Transactions with Post Employment Benefit Plans managed through separate trust

(₹ in Crore)

Sl. No	Post Employment Benefit Plan	Post Employment Benefit Plan	31-Mar-19		31-Mar-18	
			Contribution by Employer	Outstanding Payable	Contribution by Employer	Outstanding Payable
A	CPCL Employees Provident Fund	Provident Fund	20.97	5.00	20.12	4.37
B	CPCL Employees Superannuation Benefit Fund	Pension Scheme	22.53	-	21.13	2.17
C	CPCL Employees Group Gratuity Trust	Gratuity	59.59	-	-	-



Annexure - X

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I REGISTRATION & OTHER DETAILS:

i	CIN	L40101TN1965GOI005389
ii	Registration Date	30.12.1965
iii	Name of the Company	CHENNAI PETROLEUM CORPORATION LIMITED
iv	Category/Sub-category of the Company	SUBSIDIARY
v	Address of the Registered office & contact details	No. 536, Anna Salai, Teynampet, Chennai- 600018
vi	Whether listed Company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Fintech Pvt Limited, Tower B, Plot 31 & 32, Selenium Tower, Gachibowli, Hyderabad 500032

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	HSD		54.44%
2	MS		13.71%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

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

MGT 9 (IV) (i) Category wise Share Holding Between 31/03/2018 AND 31/03/2019

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2018				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2019				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
	(a) Individual /HUF	-	-	-	-	-	-	-	-	-
	(b) Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
	(c) Bodies Corporate (INDIAN OIL CORPORATION LIMITED)	77265200	-	77265200	51.89	77265200	-	77265200	51.89	-
	(d) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
	(e) Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1):	77265200	-	77265200	51.89	77265200	-	77265200	51.89	-
(2)	FOREIGN									
	(a) Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
	(b) Bodies Corporate (NAFTIRAN INTER TRADE COMPANY LTD)	22932900	-	22932900	15.40	22932900	-	22932900	15.40	-
	(c) Institutions	-	-	-	-	-	-	-	-	-
	(d) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
	(e) Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(2):	22932900	-	22932900	15.40	22932900	-	22932900	15.40	-
	Total A=A(1)+A(2)	100198100	-	100198100	67.29	100198100	-	100198100	67.29	-
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
	(a) Mutual Funds /UTI	8746388	5800	8752188	5.88	12476682	4600	12481282	8.38	2.50
	(b) Financial Institutions /Banks	7124976	100	7125076	4.78	7700861	100	7700961	5.17	0.39
	(c) Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
	(d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
	(e) Insurance Companies	-	-	-	-	-	-	-	-	-
	(f) Foreign Institutional Investors	15882459	2900	15885359	10.67	13115501	2600	13118101	8.81	-1.86
	(g) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
	(h) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
	(i) Others	-	-	-	-	-	-	-	-	-
	Sub-Total B(1):	31753823	8800	31762623	21.33	33293044	7300	33300344	22.36	1.03



Chennai Petroleum Corporation Limited

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2018				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2019				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	2579763	16200	2595963	1.74	1356579	13400	1369979	0.92	-0.82
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	8521310	935264	9456574	6.35	9337721	797002	10134723	6.81	0.46
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	3274356	-	3274356	2.20	2312327	-	2312327	1.55	-0.65
(c)	Others									
	CLEARING MEMBERS	290465	-	290465	0.20	131515	-	131515	0.09	-0.11
	FOREIGN NATIONALS	100	-	100	-	100	-	100	-	-
	I E P F	303281	-	303281	0.20	400263	-	400263	0.27	0.07
	NBFC	5609	-	5609	-	7418	-	7418	-	-
	NON RESIDENT COMPANIES	-	300	300	-	-	300	300	-	-
	NON RESIDENT INDIANS	402514	489700	892214	0.60	451773	438600	890373	0.60	-
	NRI NON-REPATRIATION	119495	-	119495	0.08	153638	-	153638	0.10	0.02
	TRUSTS	12120	200	12320	0.01	12320	-	12320	0.01	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
	Sub-Total B(2):	15509013	1441664	16950677	11.38	14163654	1249302	15412956	10.35	-1.03
	Total B=B(1)+B(2):	47262836	1450464	48713300	32.71	47456698	1256602	48713300	32.71	-
	Total (A+B):	147460936	1450464	148911400	100.00	124721898	1256602	148911400	100.00	-
(C)	Shares held by custodians, against which									
	Depository Receipts have been issued									
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C):	147460936	1450464	148911400	100.00	124721898	1256602	148911400	100.00	-

Sl no.	Folio/Dpid-Clientid	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year			Cumulative Shareholding during the Year		
					No of Shares	% of total shares of the company	Date	No of Shares	% of total shares of the company	
1	AAAC11681G	IOC	Opening Balance	INDIAN OIL CORPORATION LIMITED	77265200	51.89	31/03/2018	77265200	51.89	
			Closing Balance				30/03/2019	77265200	51.89	
2	AADCN0259L	NIT	Opening Balance	NAFTIRAN INTER TRADE COMPANY LTD	22932900	15.40	31/03/2018	22932900	15.40	
			Closing Balance				30/03/2019	22932900	15.40	

Shareholding pattern of top 10 Shareholders - Report Between 31/03/2018 AND 30/03/2019

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2018 AND 30/03/2019												
Slno	Folio/Dpid-Clientid	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year			Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company	No of Shares				% of total shares of the company	
1	AAATB0102C	MUT	Opening Balance	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C	6760174	4.54	31/03/2018				6760174	4.54
			Purchase				20/04/2018	428000	Transfer		7188174	4.83
			Sale				20/04/2018	-428000	Transfer		6760174	4.54
			Purchase				27/04/2018	113000	Transfer		6873174	4.62
			Purchase				25/05/2018	110028	Transfer		6983202	4.69
			Sale				25/05/2018	-110028	Transfer		6873174	4.62
			Purchase				08/06/2018	147000	Transfer		7020174	4.71
			Sale				29/06/2018	-129000	Transfer		6891174	4.63
			Purchase				03/08/2018	7972	Transfer		6899146	4.63
			Purchase				17/08/2018	100000	Transfer		6999146	4.70
			Purchase				05/10/2018	400000	Transfer		7399146	4.97
			Purchase				26/10/2018	40500	Transfer		7439646	5.00
			Purchase				08/03/2019	105000	Transfer		7544646	5.07
			Closing Balance				30/03/2019				7544646	5.07
2	AAACL0582H	IFI	Opening Balance	LIFE INSURANCE CORPORATION OF INDIA	3608967	2.42	31/03/2018				3608967	2.42
			Purchase				01/06/2018	80000	Transfer		3688967	2.48
			Purchase				08/06/2018	430000	Transfer		4118967	2.77
			Purchase				15/06/2018	46718	Transfer		4165685	2.80
			Purchase				22/06/2018	246819	Transfer		4412504	2.96
			Purchase				29/06/2018	193255	Transfer		4605759	3.09
			Purchase				06/07/2018	247083	Transfer		4852842	3.26
			Closing Balance				30/03/2019				4852842	3.26
3	AABTS6407Q	MUT	Opening Balance	SBI MAGNUM MULTICAP FUND	0	0.00	31/03/2018				0	0.00
			Purchase				01/06/2018	125490	Transfer		125490	0.08
			Purchase				08/06/2018	400652	Transfer		526142	0.35



SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2018 AND 30/03/2019												
Sino	Folio/Dpid-Clientid	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year				Cumulative Shareholding during the Year			
					No of Shares	% of total shares of the company	Date	Increase/Decrease in share holding	Reason	No of Shares	% of total shares of the company	
			Purchase				15/06/2018	85605	Transfer	611747	0.41	
			Purchase				22/06/2018	169840	Transfer	781587	0.52	
			Purchase				29/06/2018	351653	Transfer	1133240	0.76	
			Purchase				06/07/2018	591027	Transfer	1724267	1.16	
			Purchase				13/07/2018	119733	Transfer	1844000	1.24	
			Purchase				27/07/2018	55000	Transfer	1899000	1.28	
			Purchase				03/08/2018	95000	Transfer	1994000	1.34	
			Sale				16/11/2018	-65000	Transfer	1929000	1.30	
			Purchase				30/11/2018	96644	Transfer	2025644	1.36	
			Purchase				07/12/2018	293442	Transfer	2319086	1.56	
			Purchase				14/12/2018	384692	Transfer	2703778	1.82	
			Purchase				21/12/2018	125222	Transfer	2829000	1.90	
			Closing Balance				30/03/2019			2829000	1.90	
4	AAACN4165C	IFI	Opening Balance	THE NEW INDIA ASSURANCE COMPANY LIMITED	2165072	1.45	31/03/2018			2165072	1.45	
			Sale				15/06/2018	-100000	Transfer	2065072	1.39	
			Sale				02/11/2018	-35539	Transfer	2029533	1.36	
			Sale				09/11/2018	-131331	Transfer	1898202	1.27	
			Sale				16/11/2018	-133130	Transfer	1765072	1.19	
			Sale				04/01/2019	-44840	Transfer	1720232	1.16	
			Closing Balance				30/03/2019			1720232	1.16	
5	AAAAI0038F	MUT	Opening Balance	ICICI PRUDENTIAL EQUITY ARBITRAGE FUND	254714	0.17	31/03/2018			254714	0.17	
			Purchase				11/05/2018	83	Transfer	254797	0.17	
			Sale				25/05/2018	-25	Transfer	254772	0.17	
			Sale				01/06/2018	-165000	Transfer	89772	0.06	
			Sale				22/06/2018	-21002	Transfer	68770	0.05	
			Sale				29/06/2018	-37500	Transfer	31270	0.02	

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2018 AND 30/03/2019												
Sino	Folio/Dpid-Clientid	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year				Cumulative Shareholding during the Year			
					No of Shares	% of total shares of the company	Date	Increase/Decrease in share holding	Reason	No of Shares	% of total shares of the company	
			Sale				27/07/2018	-25	Transfer	31245	0.02	0.02
			Sale				28/09/2018	-1	Transfer	31244	0.02	0.02
			Purchase				02/11/2018	17303	Transfer	48547	0.03	0.03
			Purchase				09/11/2018	133190	Transfer	181737	0.12	0.12
			Purchase				16/11/2018	233625	Transfer	415362	0.28	0.28
			Purchase				23/11/2018	175362	Transfer	590724	0.40	0.40
			Purchase				30/11/2018	171304	Transfer	762028	0.51	0.51
			Purchase				14/12/2018	13121	Transfer	775149	0.52	0.52
			Purchase				01/02/2019	172802	Transfer	947951	0.64	0.64
			Purchase				08/02/2019	250348	Transfer	1198299	0.80	0.80
			Sale				08/02/2019	-31214	Transfer	1167085	0.78	0.78
			Purchase				15/02/2019	110252	Transfer	1277337	0.86	0.86
			Purchase				22/02/2019	196599	Transfer	1473936	0.99	0.99
			Closing Balance				30/03/2019			1473936	0.99	0.99
6	AACFL5630P	FPI	Opening Balance	LSV EMERGING MARKETS EQUITY FUND LP			31/03/2018	1451200	0.97	1451200	0.97	0.97
			Closing Balance				30/03/2019			1451200	0.97	0.97
7	AAACG0615N	IFI	Opening Balance	GENERAL INSURANCE CORPORATION OF INDIA			31/03/2018	1050000	0.71	1050000	0.71	0.71
			Sale				23/11/2018	-250000	Transfer	800000	0.54	0.54
			Closing Balance				30/03/2019			800000	0.54	0.54
8	AAMCA6207G	FPI	Opening Balance	ACADIAN EMERGING MARKETS SMALL CAP EQUITY FUND LLC			31/03/2018	1024348	0.69	1024348	0.69	0.69
			Sale				04/05/2018	-90736	Transfer	933612	0.63	0.63
			Sale				13/07/2018	-43776	Transfer	889836	0.60	0.60
			Sale				05/10/2018	-16626	Transfer	873210	0.59	0.59
			Purchase				07/12/2018	52949	Transfer	926159	0.62	0.62
			Purchase				14/12/2018	16758	Transfer	942917	0.63	0.63
			Purchase				15/03/2019	30245	Transfer	973162	0.65	0.65



SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2018 AND 30/03/2019													
Sino	Folio/Dpid-Clientid	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year				Cumulative Shareholding during the Year				
					No of Shares	% of total shares of the company	Date	Increase/Decrease in share holding	Reason	No of Shares	% of total shares of the company		
			Closing Balance					30/03/2019				973162	0.65
9	AACTA7181L	FPI	Opening Balance	AUSTRALIANSUPER	803500	0.54		31/03/2018				803500	0.54
			Closing Balance					30/03/2019				803500	0.54
	AAABC84623J	LTD	Opening Balance	ADITYA BIRLA SUN LIFE INSURANCE COMPANY LIMITED	736206	0.49		31/03/2018				736206	0.49
			Purchase					13/04/2018	1880	Transfer		738086	0.50
			Purchase					18/05/2018	42120	Transfer		780206	0.52
			Sale					01/06/2018	-316553	Transfer		463653	0.31
			Sale					29/06/2018	-211783	Transfer		251870	0.17
			Sale					06/07/2018	-153150	Transfer		98720	0.07
			Sale					07/12/2018	-98720	Transfer		0	0.00
			Closing Balance					30/03/2019				0	0.00
11	AADCE0495M	FPI	Opening Balance	ENSIGN PEAK ADVISORS, INC.	612300	0.41		31/03/2018				612300	0.41
			Sale					15/02/2019	-223759	Transfer		388541	0.26
			Sale					22/02/2019	-388541	Transfer		0	0.00
			Closing Balance					30/03/2019				0	0.00
12	AAETS9556K	MUT	Opening Balance	IDFC ARBITRAGE FUND	324000	0.22		31/03/2018				324000	0.22
			Purchase					06/04/2018	20000	Transfer		344000	0.23
			Purchase					27/04/2018	9000	Transfer		353000	0.24
			Sale					08/06/2018	-24000	Transfer		329000	0.22
			Sale					15/06/2018	-3000	Transfer		326000	0.22
			Sale					29/06/2018	-6000	Transfer		320000	0.21
			Purchase					20/07/2018	20000	Transfer		340000	0.23
			Purchase					10/08/2018	20000	Transfer		360000	0.24
			Purchase					24/08/2018	55500	Transfer		415500	0.28
			Sale					07/09/2018	-9000	Transfer		406500	0.27
			Purchase					14/09/2018	20000	Transfer		426500	0.29
			Purchase					21/09/2018	13500	Transfer		440000	0.30

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2018 AND 30/03/2019												
Sino	Folio/Dpid-Clientid	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year				Cumulative Shareholding during the Year			
					No of Shares	% of total shares of the company	Date	Increase/Decrease in share holding	Reason	No of Shares	% of total shares of the company	
			Sale				05/10/2018	-43500	Transfer		396500	0.27
			Sale				12/10/2018	-4500	Transfer		392000	0.26
			Purchase				30/11/2018	3000	Transfer		395000	0.27
			Sale				14/12/2018	-9000	Transfer		386000	0.26
			Purchase				21/12/2018	20000	Transfer		406000	0.27
			Sale				21/12/2018	-1500	Transfer		404500	0.27
			Sale				28/12/2018	-4500	Transfer		400000	0.27
			Purchase				25/01/2019	30000	Transfer		430000	0.29
			Purchase				08/02/2019	45000	Transfer		475000	0.32
			Purchase				15/02/2019	50000	Transfer		525000	0.35
			Purchase				22/02/2019	25000	Transfer		550000	0.37
			Purchase				22/03/2019	20000	Transfer		570000	0.38
			Purchase				29/03/2019	14500	Transfer		584500	0.39
			Closing Balance				30/03/2019				584500	0.39
13	AAHTS0174J	FPI	Opening Balance	STATE STREET MARKETS SMALL CAP ACTIVE NON	EMERGING		31/03/2018	579945			579945	0.39
			Purchase				13/07/2018	24387	Transfer		604332	0.41
			Purchase				20/07/2018	23345	Transfer		627677	0.42
			Sale				03/08/2018	-150912	Transfer		476765	0.32
			Sale				10/08/2018	-355630	Transfer		121135	0.08
			Sale				14/09/2018	-121135	Transfer		0	0.00
			Closing Balance				30/03/2019				0	0.00



Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No.of Shares	% of total shares of the company
1	G.Aravindan	200	-	200	-
2	Mrutunjay Sahoo	1500	-	1500	-
3	R.Srikanthan	100	-	100	-

V INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	3063.00	1325.90	-	4388.90
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	22.29	80.04	-	102.33
Total (i+ii+iii)	3085.29	1405.94	-	4491.23
Change in Indebtedness during the financial year				
Additions	4012.74	68257.89	-	72270.63
Reduction	3563.00	66482.00	-	70045.00
Net Change	449.74	1775.89	-	2225.63
Indebtedness at the end of the financial year				
i) Principal Amount	3512.74	3101.79	-	6614.53
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.04	49.40	-	53.44
Total (i+ii+iii)	3516.78	3151.19	-	6667.97

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager					Total Amount
1	Gross salary	S N Pandey (MD)	U.Venkata Ramana (DT) (Upto 31.07.2018)	R Srikanthan (DT)	Rajeev Ailawadi (DF)	G Aravindan (DO)	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	0.51	0.43	0.40	0.35	0.52	2.21
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.06	0.04	0.02	0.06	0.02	0.20
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961						
2	Stock option						
3	Sweat Equity						
4	Commission as % of profit others (specify)						
5	Others, please specify						
	Total (A)	0.57	0.47	0.42	0.41	0.54	2.41
	Ceiling as per the Act	Not Applicable to Government company					

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

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount	
1	Independent Directors	Mrutunjay Sahoo	Dr. P B Lohiya	D.Durai Ganesan		
	(a) Fee for attending board committee meetings	0.06	0.06	0.02	0.14	
	(b) Commission					
	(c) Others, please specify					
	Total (1)	0.06	0.06	0.02	0.14	
2	Other Non Executive Directors					
	(a) Fee for attending board committee meetings					
	(b) Commission					
	(c) Others, please specify.					
	Total (2)	-	-	-	-	
	Total (B)=(1+2)	0.06	0.06	0.02	0.14	
	Total Managerial Remuneration	2.55				
	Overall Ceiling as per the Act.					



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD			(₹ in Crore)
Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
1	Gross Salary	Company Secretary	Total
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	0.48	0.48
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.02	0.02
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission as % of profit others, specify		
5	Others, please specify		
	Total	0.50	0.50

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment			----- NIL -----		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Independent Auditors' Report

To

The Members of Chennai Petroleum Corporation Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Chennai Petroleum Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and loss, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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.

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.

SL.No	Key Audit Matter	How the audit matter was addressed in the audit
1	<p>Measurement of Inventories (excluding stores and spares)</p> <p>i) As at 31st March 2019 the value of Inventory (excluding stores and spares) is ₹ 4610.14 Crore. This constitutes significant percentage of the current assets of the Company.</p> <p>ii) The Inventories are measured by volume at the natural temperature and converted to its volume and density at 15°C, to derive their quantitative measure.</p> <p>iii) The closing Inventory of raw materials has different grades having different weighted average price. The closing inventory of finished goods comprises several products, produced at different refining stages.</p> <p>iv) Considering the various technical measures applied in determining the quantity and value of the inventories (excluding stores and spares), we believe a higher inherent risk is associated with its measurement, requiring significant judgments and estimates.</p> <p>(Please Refer Note No's. 9, 42.8 and significant accounting policy No.7.1 and 7.2 in Note No.1A)</p>	<p>i) We have evaluated the appropriateness of the management's tank gauging instructions and procedures adopted for recording the Company's physical inventory measurement.</p> <p>ii) We have planned and observed the performance of the management's volume measurement procedures at the year end.</p> <p>iii) We have derived 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.</p> <p>iv) In case of raw material we have tested the correctness of the computation of the weighted average cost of each grade.</p> <p>v) In respect of work in progress and finished goods, verified the correctness of valuation.</p> <p>We have tested the appropriateness of net realisable value of the inventories.</p>
2	<p>Impairment and valuation of refinery at Cauvery Basin (Nagapattinam)</p> <p>Impairment continues to be an area with inherent risk with respect to adequacy in estimating impairment. In view of the volatility of the industry being in the crude oil sector and Government policies, it requires inputs based on reasoning and available evidence.</p>	<p>i) We assessed and tested the design and parameters based on which the impairment was defined. Our testing procedures included the application of the procedures define by the standard for impairment.</p> <p>ii) The management also independently went in for an evaluation of the project to test for further impairment, by hiring the services of an independent valuer.</p> <p>iii) Based on the tests conducted and the independent valuer's report and also the assumptions, design and parameters used by the management, we find the provision to be appropriate and the amount treated as impairment to be adequate as at March 31, 2019.</p>



INFORMATION OTHER THAN THE 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 Company's Annual Report, but does not include the standalone and 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 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 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, 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 judgements 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 judgement 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 under section 143(5) of the Act, 2013, we give in the "Annexure A" of our report on the directions / sub-directions issued by the Comptroller and Auditor General of India.
 2. 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 B" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 3. As required by section 143(3) of the Act, 2013, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) Clauses referred to section 164(2) of the Act do not apply to Directors of Government Companies as per the notification of MCA in G.S.R.463(E) dated 5th June 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 C".
 - g) Being a Government Company, the provisions of section 197 are not applicable to the Company as per the notification of MCA in G.S.R. 463(E) dated 5th June 2015 and therefore the reporting requirement under section 197(16) does not arise
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 33 to the Financial Statements).
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

For Padmanabhan Ramani & Ramanujam

Chartered Accountants
FRN: 0025105

P. Ranga Ramanujam

Partner
Membership No: 022201

Place : Chennai

Date : 8th May 2019

For S.Viswanathan LLP

Chartered Accountants
FRN: 0047705/S200025

V.C. Krishnan

Partner
Membership No: 022167



Annexure- A to Independent Auditors' Report

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirement' of our report of even date to the members of Chennai Petroleum Corporation Limited on the standalone financial statements of the Company for the year ended March 31, 2019.

On the basis of checks as we considered appropriate and according to the information and explanations given to us during course of audit, we report that:

1. The company has an ERP system in place to process all the transactions through IT system. However computation of per unit crude cost and valuation of work in progress and finished goods are done manually and accounting entries for the same are processed through ERP. This does not have any impact on the integrity of the accounts nor has any financial implications.
2. 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.
3. No funds are received / receivable for specific schemes from central / state agencies excepting adjustment of EPCG as permitted by the Foreign Trade Policy. Hence, we do not have any comments on the accounting / utilisation as per its term and conditions thereof.

For Padmanabhan Ramani & Ramanujam

Chartered Accountants
FRN: 0025105

P. Ranga Ramanujam

Partner
Membership No: 022201

Place : Chennai

Date : 8th May 2019

For S.Viswanathan LLP

Chartered Accountants
FRN: 004770S/S200025

V.C. Krishnan

Partner
Membership No: 022167

Annexure- B to Independent Auditors' Report

The Annexure referred to in paragraph 2 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, 2019.

- (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:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - These Fixed Assets have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were observed by the management on such verification.
 - The title deeds of immovable properties are in the name of the Company except in the case of 186.86 acres of land allotted by the Government of Tamil Nadu for which assignment deeds are yet to be received.

Month of Allotment	Extent (in acres)	Gross Block as on 31 st March 2019 (₹ in Crores)
May, 1984	50.93	0.18
April, 1990	40.69	Not yet fixed by Government
November, 1993	95.24	Not yet fixed by Government

- (ii) According to the information and explanations given to us, physical verification of inventory except goods in transit and goods held by outsider on behalf of the company has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Consequently, the provisions of clauses 3(a) and 3(b) are not applicable.
- (iv) The Company has not granted any loans nor made any investments nor extended any guarantees nor provided any securities covered under provisions of section 185 or section 186 of the Act.
- (v) According to the information and explanations given to us, the Company has not accepted deposits from the public and hence the provisions of clause 5 are not applicable.
- (vi) Maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii)(a) According to the information and explanations given to us, and in our opinion, the Company has been regular in depositing with the appropriate authorities the undisputed statutory dues in the case of Provident Fund, Employees' State Insurance, Income-Tax, Goods Service Tax, Customs Duty, Sales Tax and Value Added Tax, Cess and any other material statutory dues applicable to it. To the best of our knowledge and according to the information and explanations given to us, there are no arrears of outstanding statutory dues as at March 31, 2019 for a period of more than six months from the date they became payable.
- (b) The details of disputed dues of Income-Tax, Sales Tax, Excise Duty, GST, Customs Duty, and Value Added Tax which have not been deposited as on March 31, 2019 are 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, 1944	Central Excise	CESTAT	22.87	0.48	January 2005 to June 2005, 2012-13 to 2014-15



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)
2	Sales Tax/VAT Legislations	Sales Tax / VAT	High court	187.87	2.76	2007-08 to 2009-10, 2012-13 to 2013-14, 2016-17 (January to March), 2017-18 (April to June)
			Sales tax Appellate Tribunal	251.45	118.10	2007 to 2016
			Joint Commissioner (Appeals)	5.34	2.67	2014-15, 2015-16
			Additional Commissioner	29.31	16.69	2014 (April to October), 2016 (April to September)
			Joint Commissioner (CT)	7.53	0.00	2016 (October to December)
			Deputy Commissioner	2.17	0.00	1991-92, 2007-08, 2008-09
3	Finance Act, 1994	Service Tax	Appellate Tribunal	1.03	0.04	2009-10 to June 2017
4	Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	92.39	37.28	2009 to 2011

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any dues to financial institutions, banks, governments or debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Term loans have been used for the purpose for which they have been availed.
- (x) To the best of our knowledge and according to the information and explanations given to us by the Company, no material fraud by the company or any fraud on the company by its officers and employees has been noticed or reported during the year.
- (xi) The provisions of section 197 read with schedule V of the Act, relating to managerial remuneration are not applicable to the company, being a Government Company, in terms of Ministry of Corporate Affairs Notification no.G.S.R.463 (E) dated 5th June, 2015.
- (xii) The Company is not a Nidhi Company. Hence, provisions of clause 3(xii) of the Order, are not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with section 177 and section 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standard.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year under review. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.
- (xv) The Company has not entered into any non-cash transactions with the Directors or any persons connected with him. Accordingly, provisions of clause 3(xv) of the Order are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934. Hence, provisions of clause 3(xvi) of the Order, are not applicable.

For Padmanabhan Ramani & Ramanujam

Chartered Accountants
FRN: 002510S

P. Ranga Ramanujam

Partner
Membership No: 022201

For S.Viswanathan LLP

Chartered Accountants
FRN: 004770S/S200025

V.C. Krishnan

Partner
Membership No: 022167

Place : Chennai

Date : 8th May 2019

Annexure C to the Independent Auditors' Report

The Annexure referred to 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, 2019.

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, 2019 in conjunction with our audit of the standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting

included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls

over financial reporting were operating effectively as at March 31, 2019, 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

Place : Chennai

Date : 8th May 2019

For S.Viswanathan LLP

Chartered Accountants
FRN: 004770S/S200025

V.C. Krishnan

Partner
Membership No: 022167

Standalone Balance Sheet As at 31st March 2019

		₹ in Crore	
Particulars	Note	As at 31-Mar-19	As at 31-Mar-18
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	6954.28	5888.74
(b) Capital work-in-progress	2.1	1121.49	1409.80
(c) Intangible assets	3	23.03	24.79
(d) Intangible assets under development	3.1	77.99	-
(e) Investment in Joint Ventures	4	11.83	11.83
(f) Financial Assets			
(i) Investments	4.1	0.11	0.11
(ii) Loans	5	45.21	34.86
(iii) Other Financial Assets	6	76.63	47.80
(g) Income tax assets (Net)	7	45.48	11.60
(h) Other non-current assets	8	46.01	48.00
		8402.06	7477.53
(2) Current assets			
(a) Inventories	9	4847.08	4748.76
(b) Financial Assets			
(i) Trade receivables	10	1623.74	1569.49
(ii) Cash and cash equivalents	11	0.17	0.04
(iii) Other bank balances	12	9.60	8.66
(iv) Loans	5	22.78	23.47
(v) Other Financial Assets	6	20.70	26.05
(c) Other current assets	8	325.57	311.49
		6849.64	6687.96
TOTAL		15251.70	14165.49
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	13	148.91	149.00
(b) Other Equity	14	3160.60	3707.49
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	1443.51	825.90
(b) Provisions	17	254.68	232.62
(c) Deferred tax liabilities (Net)	7	120.74	206.20
(d) Other non-current liabilities	18	1.36	6.05
		1820.29	1270.77
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	4873.97	2063.00
(ii) Trade payables	20		
-Total outstanding dues of micro and small enterprises		1.58	0.12
-Total outstanding dues of creditors other than micro and small enterprises		3735.93	4443.53
(iii) Other financial liabilities	16	1079.33	2057.99
(b) Other current liabilities	18	394.93	385.81
(c) Provisions	17	36.16	87.78
		10121.90	9038.23
TOTAL		15251.70	14165.49
See accompanying notes to the financial statements	1-42		

(S N Pandey)
Managing Director
DIN - 08062182

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P.Shankar)
Company Secretary
ACS -7624

As per our attached Report of even date

For PADMANABHAN RAMANI & RAMANUJAM
Chartered Accountants
(FRN: 0025105)

For S. VISWANATHAN LLP
Chartered Accountants
(FRN: 0047705 / S200025)

P. Ranga Ramanujam
Partner
Membership No. 022201

V.C. Krishnan
Partner
Membership No. 022167

Place : Chennai
Date : 08-May-2019



Standalone Statement of Profit and Loss

For the year ended 31st March 2019

		₹ in Crore	
Particulars	Note	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
I. Revenue from operations	21	52201.22	44188.48
II. Other income	22	58.73	38.76
III. Total Income (I + II)		52259.95	44227.24
IV. Expenses:			
Cost of materials consumed	23	38468.11	29313.45
Purchase of Stock-in-Trade		1139.51	400.62
Changes in Inventories (Finished Goods and Work-In Progress)	24	(409.91)	(606.70)
Excise Duty		10862.83	11661.19
Employee benefits expense	25	460.52	581.76
Finance costs	26	419.76	320.86
Depreciation and Amortisation expense on:			
a) Tangible Assets		450.92	338.79
b) Intangible Assets		1.61	1.41
		452.53	340.20
Impairment on Property, Plant and Equipment / CWIP		0.93	4.33
Other expenses	27	1163.69	753.30
Total Expenses (IV)		52557.97	42769.01
V Profit/(Loss) before Exceptional items and tax (III - IV)		(298.02)	1458.23
VI Exceptional Items		-	-
VII Profit/(Loss) before tax (V + VI)		(298.02)	1458.23
VIII Tax expense:	7		
(1) Current tax [Includes Nil (2018: ₹31.39 Crore) relating to prior years]		-	366.66
(2) Deferred tax [Includes Nil (2018: ₹15.23 Crore) relating to prior years]		(84.66)	178.65
IX Profit/(loss) for the year from continuing operations (VII - VIII)		(213.36)	912.92
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)		(213.36)	912.92
XIV Other Comprehensive Income	28		
A. (i) Items that will not be reclassified to profit or loss		(2.30)	9.43
(ii) Income Tax relating to items that will not be reclassified to profit or loss	7	0.80	(3.29)
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)		(214.86)	919.06
XVI Earnings per Equity Share:			
(1) Basic (₹)	30	(14.33)	61.31
(2) Diluted (₹)		(14.33)	61.31
See accompanying notes to the financial statements	1-42		

(S N Pandey)
Managing Director
DIN - 08062182

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P.Shankar)
Company Secretary
ACS -7624

As per our attached Report of even date

For **PADMANABHAN RAMANI & RAMANUJAM**
Chartered Accountants
(FRN: 002510S)

For **S. VISWANATHAN LLP**
Chartered Accountants
(FRN: 004770S / S200025)

P. Ranga Ramanujam
Partner
Membership No. 022201

V.C. Krishnan
Partner
Membership No. 022167

Place : Chennai
Date : 08-May-2019

Standalone Statement of Changes in Equity

For the year ended 31st March 2019

A. Equity Share Capital

	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 2018	148911400	148.91	0.09	-	149.00
At 31 March 2019	148911400	148.91	0.09	(0.09)	148.91

₹ in Crore

B. Other Equity

	Reserve and Surplus					Total
	Securities Premium	Bond Redemption Reserve	Capital Redemption Reserve	Capital reserve	Retained earnings	
As at 1 April 2017	250.04	200.00	400.00	-	(1009.75)	3324.51
Profit for the Year	-	-	-	-	912.92	-
Other comprehensive income (Remeasurement of gain or loss on defined benefit plan)	-	-	-	-	-	6.14
Total comprehensive income	-	-	-	-	912.92	6.14
Transfer to Retained Earnings	-	-	-	-	-	-
Transfer to Capital Redemption Reserve	-	50.00	200.00	-	(200.00)	-
Transfer to Bond Redemption Reserve	-	-	-	-	(50.00)	-
Dividend	-	-	-	-	(312.71)	-
Dividend distribution tax (DDT)	-	-	-	-	(63.66)	-
At 31 March 2018	250.04	250.00	600.00	-	(723.20)	3330.65
At 31 March 2019	250.04	250.00	600.00	0.09	(1268.68)	3579.15

(₹ in Crores)

	Reserve and Surplus					Total
	Securities Premium	Bond Redemption Reserve	Capital Redemption Reserve	Capital reserve	Retained earnings	
As at 1 April 2018	250.04	250.00	600.00	-	(723.20)	3330.65
Profit for the Year	-	-	-	-	(213.36)	-
Other comprehensive income (Remeasurement of gain or loss on defined benefit plan)	-	-	-	-	-	(1.50)
Total comprehensive income	-	-	-	-	(213.36)	(1.50)
Transfer to Retained Earnings	-	-	-	-	-	(1.50)
Transfer to Capital Redemption Reserve	-	-	-	-	-	-
Transfer from Equity Share Capital (Cancelled Shares)	-	-	-	0.09	-	-
Transfer from Bond Redemption Reserve	-	(250.00)	-	-	-	250.00
Dividend	-	-	-	-	(275.49)	-
Dividend distribution tax (DDT)	-	-	-	-	(56.63)	-
At 31 March 2019	250.04	250.00	600.00	0.09	(1268.68)	3579.15

(₹ in Crores)

(S N Pandey)
Managing Director
DIN - 08062182

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

As per our attached Report of even date

For PADMANABHAN RAMANI & RAMANUJAM
Chartered Accountants
(FRN: 0025105)

P. Ranga Ramanujam
Partner
Membership No. 022201

Place : Chennai
Date : 08-May-2019

(P.Shankar)
Company Secretary
ACS -7624

For S. VISWANATHAN LLP
Chartered Accountants
(FRN: 0047705 / S200025)

V.C. Krishnan
Partner
Membership No. 022167



Standalone Statement of Cash Flows

For the year ended 31st March 2019

₹ in Crore

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
A Cash Flow from Operating Activities		
1 Profit Before Tax	(298.02)	1,458.23
2 Adjustments for :		
Depreciation of property, plant and equipment	450.92	338.79
Impairment of Property, Plant and Equipment / CWIP	0.93	4.33
Unclaimed / Unspent liabilities written back	(5.24)	(2.33)
Loss/(gain) on disposal of property, plant and equipments (net)	15.61	2.06
Amortisation and impairment of intangible assets	1.61	1.41
Amortisation of Government Grants	(4.96)	(33.88)
Net Exchange Differences	6.54	1.63
Provision for Capital work-in-progress written back	(9.18)	-
Provision for Doubtful Debts, Advances and Claims	1.55	0.68
Remeasurement of Defined Benefit Plans thru OCI	(2.30)	9.43
Provision for Stores (net)	2.51	4.65
Finance income	(29.20)	(15.52)
Finance costs	419.76	320.86
Dividend Income	5.92	5.92
3 Operating Profit before Working Capital Changes (1+2)	544.61	2084.42
4 Change in Working Capital:		
(Excluding Cash & Cash equivalents)		
Trade Receivables & Other receivables	(101.97)	(429.23)
Inventories	(100.83)	(1556.73)
Trade and Other Payables	(427.72)	2986.94
Provisions	(25.13)	47.37
Change in Working Capital	(655.65)	1048.35
5 Cash Generated From Operations (3+4)	(111.04)	3132.77
6 Less : Taxes paid	(33.88)	(376.10)
7 Net Cash Flow from Operating Activities (5-6)	(144.92)	2756.67
B Cash Flow from Investing Activities:		
Proceeds from sale of Property, plant and equipment / Transfer of Assets	0.09	0.22
Purchase of Property, plant and equipment	(1308.48)	(990.85)
Interest received (Finance Income)	29.20	15.52
Dividend Income	5.92	5.92
Net Cash Generated/(Used) in Investing Activities:	(1273.27)	(969.19)
C Net Cash Flow From Financing Activities:		
Proceeds from Long-Term Borrowings	909.16	-
Repayments of Long-Term Borrowings (Including finance lease)	(1500.00)	(3.34)
Proceeds from/(Repayments of) Short-Term Borrowings	2809.92	(1110.45)
Interest paid	(468.64)	(297.54)
Dividends paid	(275.49)	(312.71)
Dividend distribution tax paid	(56.63)	(63.66)
Net Cash Generated/(Used) from Financing Activities:	1418.32	(1787.70)
D Net Change in Cash & cash equivalents (A+B+C)	0.13	(0.22)
E - 1 Cash & cash equivalents as at end of the year	0.17	0.04
E - 2 Cash & cash equivalents as at beginning of the year	0.04	0.26
NET CHANGE IN CASH & CASH EQUIVALENTS (E 1- E 2)	0.13	(0.22)

Notes :

1. Cash Flow Statement is prepared using Indirect method as per Indian Accounting Standard -7 Cash Flow Statement.
2. Figures for previous year have been regrouped wherever necessary for uniformity in presentation.

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

Financial Liabilities	As at 31.03.2017	Cash Flow	Non-cash Changes		₹ in Crore
			Interest Accrued but not due	Foreign exchange movement	As at 31.03.2018
Long Term Borrowings (Including Other Current Financial Liability)	2426.38	(102.10)	102.33	1.63	2428.24
Short Term Borrowings	3173.44	(1110.45)	-	-	2062.99
Finance Lease Liabilities	3.34	(3.34)	-	-	-

Financial Liabilities	As at 31.03.2018	Cash Flow	Non-cash Changes		₹ in Crore
			Interest Accrued but not due	Foreign exchange movement	As at 31.03.2019
Long Term Borrowings (Including Other Current Financial Liability)	2428.24	(693.17)	52.39	6.54	1794.00
Short Term Borrowings	2062.99	2809.92	1.06	-	4873.97

(S N Pandey)
Managing Director
DIN - 08062182

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P.Shankar)
Company Secretary
ACS -7624

As per our attached Report of even date

For PADMANABHAN RAMANI & RAMANUJAM
Chartered Accountants
(FRN: 0025105)

For S. VISWANATHAN LLP
Chartered Accountants
(FRN: 0047705 / S200025)

P. Ranga Ramanujam
Partner
Membership No. 022201

V.C. Krishnan
Partner
Membership No. 022167

Place : Chennai
Date : 08-May-2019



Note-1A Corporate Information and Significant Accounting Policies

A. Corporate Information

The standalone financial statements of "Chennai Petroleum Corporation Limited" ("the Company" or "CPCL") are for the year ended 31st March, 2019. 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 8th May, 2019.

B. 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 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

- 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 Crores (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 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.

- 2.1.2. PPE are stated at acquisition cost less accumulated depreciation / amortization and cumulative impairment except freehold land which is stated at historical cost.

- 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 spare parts during more than a period of 12 months.

- 2.1.5. The acquisition of PPE, directly increasing the future economic benefits of any particular existing item of property, plant and equipment, which are necessary for the Company to obtain the future economic benefits from its other assets, 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 property, plant and equipment recognised as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the capital work in progress and property, plant and equipment.

2.2 Capital work in progress (CWIP)

A. Construction Period Expenses on Projects:

- 2.2.1 Revenue expenses exclusively attributable to projects incurred during construction period are capitalized.

- 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 is capitalised.

- 2.3.4. Right of ways with Indefinite useful lives are not amortised, but are 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.
- 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 intangible assets.

2.4. Depreciation / Amortisation

- 2.4.1. Cost of PPE (net of residual value) excluding freehold land is depreciated on a straight line basis over the useful life of the assets prescribed in Schedule II to the Companies Act, 2013 except in case of the following assets:
- Useful life of 25 years for solar power plant considered based on technical assessment
 - In case of specific agreements e.g. enabling assets etc., useful life as per agreement or Schedule II, whichever is lower
 - 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

- In case of spare parts, 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 assets that are significant in value and have different useful life as compared to the main assets separately. The Company depreciates capitalized 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 property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3 LEASES

- 3.1. A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

3.2. Operating Leases as a lessee:

Lease rentals are recognized as expense on a straight line basis with reference to lease terms and other considerations except where-

- Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken on lease; or
- The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases

Contingent rentals are recognised as expenses in the periods in which they are incurred.

3.3. Operating Leases as a lessor:

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; or



- (ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

3.4. Finance leases as lessee:

- (i) Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.
- (ii) A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

- 3.5. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1st April, 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

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 group 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 costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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 and construction of the qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the statement of Profit and Loss in the period in which they are incurred.

6 FOREIGN CURRENCY TRANSACTIONS

- 6.1. The Company's financial statements are presented in Indian Rupee (₹), which is also its 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 as at the end of reporting period.

6.4. Non-monetary items denominated in foreign currency,(such as investments, fixed assets etc.) are valued 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 is 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 material cost plus fifty percent conversion costs as applicable or net realizable value, whichever is lower.

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, 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 recovery, 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, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

8.2. Contingent Liabilities and Contingent Assets

8.2.1. Show-cause Notices issued by various Government Authorities are 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. A contingent asset is disclosed where an inflow of economic benefits is probable.

8.2.4. 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;
- b) all other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

8.3. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account are considered for disclosure.

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. 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.

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. Interest income from financial assets is recognised using effective interest rate (EIR) method.
- 9.5. Dividend income is recognized when the Company's right to receive dividend is established.
- 9.6. 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.

- 9.7. 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 on applicable products 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 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 to allow all or part of the deferred tax asset 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 asset 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 Employee 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 trust established for this purpose based on a fixed percentage of the eligible employee's salary and charged to 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 Statement of Profit and Loss / CWIP.
- b) The Company operates defined benefit plan 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. Compensated Absences 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.
- 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 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 they 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 costs 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 costs

Net interest is calculated by applying the discount rate to the net 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 costs comprising current service costs, past-service costs, 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 Capital Grants which are recognized as income in the Statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

13.3. Grant Relating to Income (Revenue Grants)

Revenue grants are recognised where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. 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 costs for which the grants are intended to compensate.

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.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

- 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 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

The Company classifies all other liabilities 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.

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 costs that are attributable to the acquisition of the financial asset.

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 P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 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 at FVTOCI

A. Equity investments (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, excluding dividends. The classification is made on initial recognition / transition and is irrevocable.

There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment.

B. Equity investments in JVs and associates

Investment in joint ventures and associates are accounted for at cost in standalone financial statements.

15.1.4. Debt Instruments and derivatives at FVTPL

FVTPL is a residual category for debt instrument. 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 balances;



- b. Financial guarantee contracts which are not measured as at FVTPL
- c. Lease receivables under Ind AS 17

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-month 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-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month 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, if any.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the statement of profit and loss (P&L). 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.

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 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 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 expired. 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, if any, 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 they actually have been highly effective throughout the financial reporting periods for which they were 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 Hedging 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 derivative 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 Profit and Loss and are included in the Other Income or Other Expenses as Gain on derivative or Loss on Derivatives respectively.

15.6. Commodity contracts

Commodity contracts, if any, those 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 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.

20 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The ministry of Corporate affairs vide notification dated 30th March, 2019 has notified Ind AS-116 Leases and certain amendments to existing Ind AS. These amendments are applicable from 1st April, 2019 to the Company. The Company's assessment of the impact of these new standards and amendments is set out below.

Ind AS- 116 Leases

Ind AS 116 replaces Ind AS 17 Leases. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less).

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases. Ind AS 116, which is effective for annual periods beginning on or after 1st April, 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

Under Ind AS-17, operating lease rentals are recognized as expense on a straight line basis with reference to lease terms except where- (i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken on lease.; or (ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Under Ind AS 116, the relaxation when increase is due to general price inflation is not included. This means that operating lease rentals of those lease which are not considered for balance sheet accounting (short term lease and low value leases) will be straightlined.

Transition to Ind AS 116

The Company plans to adopt Ind AS 116 retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application i.e. 01.04.2019. The Company will not restate comparative amounts for the year prior to first adoption. The Company plans to elect for the following practical expedients:

1. Not applying the standard to contracts that were not previously identified as containing a lease applying Ind AS 17 and
2. Not applying the standard to lease contracts for which the lease terms ends within 12 months as of the date of initial application.

There would be no material impact of Ind AS 116 adoption as:

Most of the operating leases entered into by the company are cancellable in nature and are of short term in nature.

The Company's activities as a lessor are not material and hence the company does not expect any significant impact on the financial statements. However, some additional disclosures will be required from next year.

Other amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

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.,. Provision in respect of liabilities incurred on Revenue and Capital account are reckoned based on estimates and these estimates and underlying assumptions are reviewed on ongoing basis.

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 42.1 on impairment recognized during the year.

Note – 2 : PROPERTY, PLANT AND EQUIPMENT

Current Year:

₹ in Crore

Particulars	Land -	Land -	Buildings,	Plant and	Office	Transport	Furniture	Railway	Drainage,	Total
	Freehold	Leasehold	Roads	Equipment	Equipments	Equipments	and Fixtures	Sidings	Sewage and Water Supply System	
	Note: A			Note: B				Note: C		Note: B
Gross Block as at 1 st April 2018	44.31	5.92	182.79	6528.73	22.21	10.81	13.64	-	20.30	6828.71
GROSS BLOCK Additions during the Year (Note: E)	0.64	-	0.01	1511.99	7.07	1.69	1.32	-	-	1522.72
Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-	(7.22)	4.71	0.30	(7.73)	-	-	(9.94)
Gross Block as at 31st March 2019	44.95	5.92	182.80	8033.50	33.99	12.80	7.23	-	20.30	8341.49
DEPRECIATION, AMORTISATION AND IMPAIRMENT Depreciation and Amortisation as at 1 st April 2018	-	0.21	20.11	832.37	11.16	1.68	5.37	-	3.24	874.14
Depreciation and Amortisation during the Year:	-	0.07	5.94	435.34	6.67	0.98	0.90	-	1.02	450.92
Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-	(1.05)	0.93	-	(3.31)	-	-	(3.43)
Total Depreciation and Amortisation upto 31st March 2019	-	0.28	26.05	1266.66	18.76	2.66	2.96	-	4.26	1321.63
Total Impairment Loss as at 1 st April 2018	-	-	14.76	50.88	-	-	-	-	0.19	65.83
Impairment Loss during the Year (Note: D)	-	-	0.01	(0.26)	-	-	-	-	-	(0.25)
Impairment loss reversed during the Year	-	-	-	-	-	-	-	-	-	-
Total Impairment Loss upto 31st March 2019	-	-	14.77	50.62	-	-	-	-	0.19	65.58
NET BLOCK AS AT 31st March 2019	44.95	5.64	141.98	6716.22	15.23	10.14	4.27	-	15.85	6954.28
AS AT 31 st March 2018	44.31	5.71	147.92	5645.48	11.05	9.13	8.27	-	16.87	5888.74



Chennai Petroleum Corporation Limited

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	Total
Gross Block as at 1 st April 2017	40.05	5.92	137.22	4218.97	17.08	9.56	8.85	-	18.73	4456.38
ADDITIONS DURING THE YEAR (Note : E)	4.26	-	45.62	2311.71	5.56	1.39	5.27	-	1.57	2375.38
Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	(0.05)	(1.95)	(0.43)	(0.14)	(0.48)	-	-	(3.05)
Gross Block as at 31st March 2018	44.31	5.92	182.79	6528.73	22.21	10.81	13.64	-	20.30	6828.71
DEPRECIATION AND AMORTISATION										
Depreciation and Amortisation as at 1 st April 2017	-	0.14	14.39	507.99	6.89	0.93	3.54	-	2.25	536.13
Depreciation and Amortisation during the Year:	-	0.07	5.72	324.73	4.50	0.76	2.01	-	0.99	338.78
Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-	(0.35)	(0.23)	(0.01)	(0.18)	-	-	(0.77)
Total Depreciation and Amortisation upto 31st March 2018	-	0.21	20.11	832.37	11.16	1.68	5.37	-	3.24	874.14
DEPRECIATION, AMORTISATION AND IMPAIRMENT										
Total Impairment Loss as at 1 st April 2017	-	-	14.69	27.53	-	-	-	-	0.19	42.41
Impairment Loss during the Year (Note: D)	-	-	0.07	23.35	-	-	-	-	-	23.42
Impairment loss reversed during the Year	-	-	-	-	-	-	-	-	-	-
Total Impairment Loss upto 31st March 2018	-	-	14.76	50.88	-	-	-	-	0.19	65.83
NET BLOCK										
AS AT 31st March 2018	44.31	5.71	147.92	5645.48	11.05	9.13	8.27	-	16.87	5888.74
AS AT 31 st March 2017	40.05	5.78	108.14	3683.45	10.18	8.63	5.31	-	16.29	3877.83

- A. Gross block of Land includes ₹ 0.18 Crore deposited towards 50.93 acres of Land for which assignment deed is yet to be received from Govt. of TamilNadu.
- B. The cost of assets includes EPCG benefit (net of CENVAT), net of VAT CREDIT/CENVAT/GST ITC wherever applicable
- C. Represents 5/24 share of total cost of the Railway Siding jointly owned by the Company along with Madras Fertilizers Limited, Madras Petrochem Limited, Steel Authority of India Limited and Rashtriya Ispat Nigam Limited. Net block of Railway Sidings - ₹ 0.003 Crore (2018 : ₹ 0.003 Crore)
- D. Impairment loss pertains to Cauvery Basin Refinery (refer Note 42.1)
- E. Additions to Gross Block Includes:

₹ in Crore

Asset Particulars	Borrowing Cost	
	31-Mar-19	31-Mar-18
Buildings	-	5.08
Plant and Equipment	97.06	176.82
Total	97.06	181.90

Note – 2.1 : CAPITAL WORK-IN-PROGRESS

				₹ in Crore	
SI.No	Particulars	Note	As at 31-Mar-19	As at 31-Mar-18	
1	Construction Work in Progress - Fixed Assets				
	(Including unallocated capital expenditure, materials at site)				
	Balance as at beginning of the year		1414.47		2766.75
	Add: Additions during the year		1202.11		961.49
	Less: Allocated/ Capitalised during the year		1511.99		2313.77
			1104.59		1414.47
	Less: Provision for Capital Losses		3.90		13.08
	Less: Impairment Loss	A	1.18		-
			1099.51		1401.39
2	Capital stores balance as at beginning of the year		11.26		25.03
	Add: Additions during the year		107.61		294.22
	Less: Allocated during the year		93.88		307.99
			24.99		11.26
	Less: Provision for Capital Losses		3.01		3.01
	Capital stores		21.98		8.25
3	Capital Goods in Transit		-		0.16
4	Construction Period Expenses pending allocation:				
	Net expenditure during the year (Note -"2.2")		72.94		119.24
	Less: Allocated during the year		72.94		119.24
			-		-
	TOTAL	B	1121.49		1409.80

A Impairment loss pertains to Cauvery Basin Refinery (refer Note 42.1)

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

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

		₹ in Crore	
Particulars		31-Mar-19	31-Mar-18
1	Employee Benefit expenses	27.84	18.04
2	Power & Fuel	2.32	22.75
3	Finance Cost	41.55	77.45
4	Travelling Expenses and Others	1.23	1.00
	Net Expenditure during the year	72.94	119.24
	Effective weighted average interest rate of borrowings eligible for capitalisation (Rate in %)	8.58	7.92



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 1 st April 2018	0.91	26.86	27.77
	Additions during the Year	-	(0.15)	(0.15)
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Gross Block as at 31st March 2019	0.91	26.71	27.62
AMORTISATION AND IMPAIRMENT	Amortisation as at 1 st April 2018	0.69	2.28	2.97
	Amortisation during the Year	0.12	1.49	1.61
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Total and Amortisation upto 31st March 2019	0.81	3.77	4.58
	Total Impairment Loss as at 1 st April 2018	0.01	-	0.01
	Impairment Loss during the Year (A)	-	-	-
	Impairment loss reversed during the Year	-	-	-
Total Impairment Loss upto 31st March 2019	0.01	-	0.01	
NET BLOCK	AS AT 31st March 2019	0.09	22.94	23.03
	AS AT 31 st March 2018	0.21	24.58	24.79

Previous Year:

				₹ in Crore
	Particulars	Computer Software	Technical Know-How, Royalty and Licenses	Total
GROSS BLOCK	Gross Block as at 1 st April 2017	0.81	5.76	6.57
	Additions during the Year	0.10	21.10	21.20
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Gross Block as at 31st March 2018	0.91	26.86	27.77
AMORTISATION AND IMPAIRMENT	Amortisation as at 1 st April 2017	0.56	0.99	1.55
	Amortisation during the Year	0.13	1.29	1.42
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Total and Amortisation upto 31st March 2018	0.69	2.28	2.97
	Total Impairment Loss as at 1 st April 2017	0.01	-	0.01
	Impairment Loss during the Year (A)	-	-	-
	Impairment loss reversed during the Year	-	-	-
Total Impairment Loss upto 31st March 2018	0.01	-	0.01	
NET BLOCK	AS AT 31st March 2018	0.21	24.58	24.79
	AS AT 31 st March 2017	0.23	4.77	5.00

(2) Intangible assets with indefinite useful life**Current year:**

		₹ in Crore
	Particulars	Right of Way
GROSS BLOCK	Gross Block as at 1 st April 2018	0.27
	Additions during the Year	-
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-
	Gross Block as at 31st March 2019	0.27
AMORTISATION AND IMPAIRMENT	Total Impairment Loss as at 1 st April 2018	0.27
	Impairment Loss during the Year (A)	-
	Impairment loss reversed during the Year	-
	Total Impairment Loss upto 31st March 2019	0.27
NET BLOCK	AS AT 31st March 2019	-
	AS AT 31 st March 2018	-

Previous year:

		₹ in Crore
	Particulars	Right of Way
GROSS BLOCK	Gross Block as at 1 st April 2017	0.27
	Additions during the Year	-
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-
	Gross Block as at 31st March 2018	0.27
AMORTISATION AND IMPAIRMENT	Total Impairment Loss as at 1 st April 2017	0.27
	Impairment Loss during the Year	-
	Impairment loss reversed during the Year	-
	Total Impairment Loss upto 31st March 2018	0.27
NET BLOCK	AS AT 31st March 2018	-
	AS AT 31 st March 2017	-

Note : Impairment loss pertains to Cauvery Basin Refinery (refer Note 42.1)



Note – 3.1 : INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	₹ in Crore	
	As at 31-Mar-19	As at 31-Mar-18
Work in Progress - Intangible Asset:		
Balance as at beginning of the year	-	5.97
Add: Net expenditure during the year	77.99	15.13
	77.99	21.10
Less: Allocated during the year	-	21.10
	77.99	-
TOTAL	77.99	-

Note : Pertains to Property, Plant and Equipment under construction (Refer Note 42.2)

Note – 4 : INVESTMENT IN JOINT VENTURES

Sl. No	Particulars	No. and Particulars	Face Value per share (₹)	Non-current	
				As at 31-Mar-19	As at 31-Mar-18
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	10	0.03	0.03
		Equity Shares fully paid			
	Less: Provision for Diminution			0.03	0.03
				-	-
	TOTAL			11.83	11.83
	Aggregate value of unquoted investments			11.86	11.86
	Aggregate amount of provision for value of investments			0.03	0.03

Note – 4.1 : INVESTMENTS

Sl. No	Particulars	No. and Particulars	Face Value per share (₹)	Non-current	
				As at 31-Mar-19	As at 31-Mar-18
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	10	0.01	0.01
		fully paid			
	TOTAL		A	0.11	0.11
	Aggregate value of unquoted investments			0.11	0.11
	Aggregate amount of impairment in value of investments			-	-
A	Fair Value approximates carrying value				

Note – 5 : LOANS

₹ in Crore

Sl. No	Particulars	Note	Non-current as at		Current as at	
			31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
1	Security Deposits					
	To Related Parties					
	i) Unsecured, Considered Good		-	-	-	-
	To Others					
	i) Unsecured, Considered Good		1.12	0.93	11.22	9.55
2	Loans Receivables:					
	To Related Parties					
	i) Considered Good -Secured	A.1	0.03	0.03	0.01	0.01
	ii) Considered Good -Unsecured	A.2	0.06	-	0.02	0.02
			0.09	0.03	0.03	0.03
	To Others					
	i) Considered Good -Secured		29.53	21.32	5.84	5.65
	ii) Considered Good -Unsecured		14.47	12.58	5.69	8.24
			44.00	33.90	11.53	13.89
	Sub Total		44.09	33.93	11.56	13.92
	TOTAL		45.21	34.86	22.78	23.47
	NOTES:					
	A.1 Includes:					
1	Due from Directors		0.01	0.01	-	-
2	Due from Officers		0.02	0.02	0.01	0.01
	A.2 Includes:					
1	Due from Directors		-	-	-	0.02
2	Due from Officers		0.06	-	0.02	-

In compliance of Regulation 34(3) of SEBI(LODR) Regulations 2015, the required information is given as under:

₹ in Crore

	Amount as on		Maximum Amount outstanding during the year ended	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
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	Non-Current as at		Current as at	
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
1	Deposit for Leave Encashment Fund	76.63	47.80	-	-
2	Interest Accrued on Investments/ Bank Deposits/ Loans	-	-	0.05	0.04
3	Claims Recoverable :				
	a) From Related Parties				
	i) Unsecured, Considered Good	-	-	-	0.01
	ii) Unsecured, Considered Doubtful	-	-	22.61	21.59
				22.61	21.60
	b) Others				
	i) Unsecured, Considered Good	-	-	15.32	24.51
	ii) Unsecured, Considered Doubtful	-	-	7.03	6.50
		-	-	22.35	31.01
	Less : Provision for Doubtful Claims	-	-	29.64	28.09
	Sub Total	-	-	15.32	24.52
4	Other Financial Assets	-	-	5.33	1.49
	TOTAL	76.63	47.80	20.70	26.05

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

₹ in Crore

Particulars	Non - Current as at		Current as at	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Tax Asset/ (Liability) - Net				
Advance payments for Current Tax	700.11	666.23	-	-
Less: Provision for Current Tax	654.63	654.63	-	-
Tax Asset/ (Liability) - Net	45.48	11.60	-	-
TOTAL	45.48	11.60	-	-

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

	31-Mar-19	31-Mar-18
Accounting profit		
Tax at the applicable tax rate of 34.94% (31.3.2018: 34.94%)	34.94%	34.94%
Tax effect of income that are not taxable in determining taxable profit:	1.38%	(0.28%)
Tax effect of expenses that are not deductible in determining taxable profit:	(7.91%)	3.31%
Tax expense /income related to prior years :	-	3.20%
Tax effect on recognition of previously unrecognised allowances / disallowances :	-	(3.99%)
Tax effect due to Change in applicable Tax rates :	-	0.22%
Tax expense	28.41%	37.40%

(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	Provided	As at	Provided	Provided	As at
	31-Mar-17	during	during	31-Mar-18	during	during	31-Mar-19
		the Year	the Year		the Year	the Year	
		2017-18	2017-18		2018-19	2018-19	
			in OCI			in OCI	
Deferred tax liability:							
Related to Fixed Assets (Depreciation)	770.38	118.64	-	889.02	154.49	-	1043.51
Retirement benefits to employees	0.10	(0.10)	-	-	-	-	-
Total deferred tax liability (A)	770.48	118.54	-	889.02	154.49	-	1043.51
Deferred tax assets:							
Carry forward Business Loss/ Unabsorbed Depreciation	368.37	(368.37)	-	-	291.56	-	291.56
Provision on Inventories, Trade Receivables, Loans and advances, CWIP, Investments etc.	24.89	0.33	-	25.22	1.41	-	26.63
43B Disallowances, Bonus, Gratuity etc.	44.94	15.96	(3.29)	57.61	(53.82)	0.80	4.59
MAT Credit Entitlement	308.03	291.96	-	599.99	-	-	599.99
Total deferred tax assets (B)	746.23	(60.12)	(3.29)	682.82	239.15	0.80	922.77
Deferred Tax Liability (Net) (A - B)	24.25	178.66	3.29	206.20	(84.66)	(0.80)	120.74

Note – 8 : OTHER ASSETS

₹ in Crore

Sl. No	Particulars	Non-Current as at		Current as at	
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
1	Advance for Capital Expenditure				
	a) To Related Parties				
	i) Unsecured, Considered Good	0.79	13.67	-	-
	b) To Others				
	i) Unsecured, Considered Good	20.76	15.31	-	-
2	Advances				
	a) To Others				
	i) Unsecured, Considered Good	-	-	29.22	13.89
3	Claims Recoverable :				
	From Custom, Excise, Sales tax, Income Tax dept & Others				
	i) Unsecured, Considered Good	-	-	248.42	254.30
4	GST, Cenvat, VAT, service tax recoverable	-	-	32.24	21.88
5	Balance with Customs, Port Trust and Excise Authorities:				
	i) Unsecured, Considered Good	-	-	3.24	8.15
6	Gold / Other Precious Metals	-	-	10.06	11.07
	Less : Provision for Diminution	-	-	0.03	0.05
		-	-	10.03	11.02
7	Deferred Expenses				
			24.46		19.02
					2.42
					2.25
	TOTAL		46.01	48.00	325.57
					311.49



Note – 9 : INVENTORIES

		₹ in Crore	
Sl. No	Particulars	As at 31-Mar-19	As at 31-Mar-18
1	In Hand :		
a.	Stores, Spares etc.	268.79	243.21
	Less : Provision for Losses	35.47	32.96
		233.32	210.25
b.	Raw Materials	1370.33	1494.83
c.	Finished Products	1700.32	1442.34
d.	Stock in Process	633.26	481.33
		3937.23	3628.75
2	In Transit :		
a.	Stores & Spares etc.	3.62	10.14
b.	Raw Materials	906.23	1109.87
		909.85	1120.01
TOTAL		4847.08	4748.76
Impact of Valuation of closing inventories carried at net realisable value recognised in Statement of Profit & loss		33.43	2.55

Note – 10 : TRADE RECEIVABLES

			₹ in Crore	
Particulars	Note		As at 31-Mar-19	As at 31-Mar-18
a) From Related Parties				
i)	Considered Good - Unsecured	(i)	1363.46	1310.40
b) From Others				
i)	Considered Good - Secured	(ii)	99.65	100.00
ii)	Considered Good -Unsecured		160.63	159.09
			1623.74	1569.49
TOTAL			1623.74	1569.49

(i) Includes receivables from Indian Oil Corporation Ltd., the holding company ₹ 1360 Crore (2018: ₹1308.80 Crore) and receivables from Indian Additives Limited, Joint Venture Company ₹ 3.46 Crore (2018: ₹ 1.60 Crore).

(ii) Represents dues for which mortgage and first charge on Fixed asset is in favour of the company to the extent of ₹ 100 Crore (2018: ₹ 100 Crore)

Note – 11 : CASH AND CASH EQUIVALENTS

₹ in Crore

Sl. No	Particulars		As at 31-Mar-19	As at 31-Mar-18
1	Bank Balances with Scheduled Banks :			
	a) Current Account		0.17	0.04
	TOTAL		0.17	0.04

Note – 12 : OTHER BANK BALANCES

₹ in Crore

	Particulars	Note	As at 31-Mar-19	As at 31-Mar-18
1	Balances with bank held as other commitments		5.67	5.36
2	Earmarked Balances	A	3.93	3.30
	TOTAL		9.60	8.66

NOTES:

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

Note – 13 : EQUITY SHARE CAPITAL

₹ in Crore

Particulars	Note	As at 31-Mar-19	As at 31-Mar-18
Authorized:			
Equity:			
40,00,00,000 (2018: 40,00,00,000) Equity Shares of ₹ 10 each		400.00	400.00
Preference:			
100,00,00,000 (2018:100,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each		1000.00	1000.00
		1400.00	1400.00
Issued :			
Equity:			
14,89,11,400 (2018: 17,00,00,000) Equity Shares of ₹ 10 each	(i)	148.91	170.00
Preference:			
50,00,00,000 (2018 : 100,00,00,000;) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each	(ii)	500.00	1,000.00
		648.91	1170.00
Subscribed, Called-up and Paid-up :			
14,89,11,400 (2018: 14,89,11,400) Equity shares of ₹10 each	(i)	148.91	148.91
Add: Forfeited Shares (amount originally paid up)		-	0.09
Total Paid up Equity share Capital		148.91	149.00
TOTAL		148.91	149.00



(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 classified as financial liability (long term borrowing) as per Ind AS 32 - Refer note - 15(II) (D) and note (i) to (vi) thereon

Note - 13 : EQUITY SHARE CAPITAL

A. Reconciliation of No. of Shares

	As at 31-Mar-19		As at 31-Mar-18	
	Equity Shares	Preference Shares	Equity Shares	Preference Shares
Opening Balance	148,911,400	1,000,000,000	148,911,400	1,000,000,000
Shares Issued	-	-	-	-
Shares bought back / Redeemed	-	500,000,000	-	-
Closing Balance	148,911,400	500,000,000	148,911,400	1,000,000,000

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	
	As at 31-Mar-19	As at 31-Mar-18
7,72,65,200 Equity Shares of ₹10 each (51.89%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.	77.27	77.27

D. Details of shareholders holdings more than 5% shares

Equity Shares

Name of Shareholder	As at 31-Mar-19		As at 31-Mar-18	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
Indian Oil Corporation Limited	77265200	51.89	77265200	51.89
Naftiran Intertrade Company Limited	22932900	15.40	22932900	15.40
Aditya Birla Sunlife Trustee Private Limited	7544646	5.07	-	-

Note – 14 : OTHER EQUITY

					₹ in Crore	
Sl. No	Particulars	Note		As at 31-Mar-19	As at 31-Mar-18	
1	Retained Earnings					
a)	General Reserve :					
	As per last Account		3330.65		3324.51	
	Add: Remeasurement of Defined Benefit Plans		(1.50)		6.14	
	Add : Transfer from Bond Redemption Reserve		250.00		-	
			3579.15		3330.65	
b)	Surplus (Balance in Statement of Profit and Loss):					
	Balance Brought Forward from Last Year's Account		(723.20)		(1009.75)	
	Add: Profit / (Loss) for the Year		(213.36)		912.92	
	Less: APPROPRIATIONS:					
	Final Dividend		275.49		312.71	
	Bond Redemption Account		-		50.00	
	Capital Redemption Account		-		200.00	
	Dividend Distribution Tax on Final Dividend		56.63		63.66	
	Balance carried forward to next year's account		(1268.68)		(723.20)	
				2310.47	2607.45	
2	Other Reserves					
a)	Bond Redemption Reserve Account :	A				
	As per last Account		250.00		200.00	
	Add: Transferred (to General Reserve)/ from Profit & Loss Account		(250.00)		50.00	
				-	250.00	
b)	Capital Redemption Reserve :	B				
	As per last Account		600.00		400.00	
	Add: Transferred from Profit and Loss Account		-		200.00	
				600.00	600.00	
c)	Securities Premium:	C				
	As per last Account			250.04	250.04	
d)	Capital Reserve					
	As per last Account		-		-	
	Add: Transferred from Equity Share Capital (Forfeited Shares (amount originally paid up) cancelled during the year)		0.09	-	-	
				0.09	-	
	TOTAL			3160.60	3707.49	

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 Bond Redemption Reserve Account : To be utilised for redemption of bond and transferred to general reserve on actual redemption (During the year Non Convertible Debenture of ₹ 1000 Crore redeemed).
- B Capital Redemption Reserve Account : To be utilised for redemption of Preference Shares (During the year Non Convertible Redeemable preference Share of ₹ 500 Crore redeemed).
- C Securities Premium : Premium on shares issued by the company appropriated under this reserve.



Note – 15 : LONG-TERM BORROWINGS

(At Amortised Cost)

₹ in Crore

Sl. No	Particulars	Note	Non-current as at		Current Maturities as at	
			31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
I. SECURED LOANS						
1	Bonds:					
	10000 Nos. of 9.65% Secured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - II		-	-	-	1021.42
	Total (Bonds)		-	-	-	1021.42
2	Term Loans:					
	From banks					
	i) INR Loan	A	500.00		3.57	-
	ii) Foreign Currency Loans US \$ 50 Million (2018: Nil)	B	346.18		-	
	Total (Loans from Banks)		846.18		3.57	
	From other parties					
	i) Loans from OIDB	A	50.00	-	-	-
	Total (Term Loans)		896.18	-	3.57	-
	Total Secured Loans		896.18	-	3.57	1021.42
II. UNSECURED LOANS						
1	Term Loans:					
	i) From Banks/Financial Institutions:					
	In Foreign Currency	C	-	325.90	346.92	0.87
	US \$ 50 Million (2018: US \$ 50 Million)					
	Total (Term Loans)		-	325.90	346.92	0.87
2	Loans from related parties:	D				
	50,00,00,000 (2018:100,00,00,000) Non Convertible Cumulative Redeemable Preference Shares of ₹ 10 each		547.33	500.00	-	580.04
	Total Unsecured Loans		547.33	825.90	346.92	580.91
	TOTAL LONG-TERM BORROWINGS		1443.51	825.90	350.49	1602.33

A. Secured Rupee Term Loans:

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Redemption	Security Details
1	Term Loan from State Bank of India	07-01-2019	6 Months MCLR, reset at half yearly intervals	Principal repayable at the end of 5 years from 07.01.2019 being 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.
2	Term Loan from Oil Industry Development Board	18-03-2019	7.72%	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

B. Secured Foreign Currency Term Loans:

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Redemption	Security Details
1	Foreign Currency Term Loan from South Indian Bank	13-12-2018	1) 6 Months LIBOR + 125 Bps for first 6 months, 2) 6 Months LIBOR + 175 Bps for next 30 months 3) Reset at half yearly intervals 4) Interest payable on monthly basis	Principal repayable at the end of 3 years from 13.12.2018 being date of availment	Pari passu first charge on entire fixed assets of the Company (excluding Land and building & assets pertaining to BS VI project and R-LNG 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 R-LNG project to be furnished.

Unsecured Loans:**C. Foreign Currency Loan**

Sl. No.	Particulars	Date of Maturity	Repayable Amount	Interest Rate
1	Term Loan from State Bank of India	18-09-2019	US \$ 50 Million	3 months LIBOR + 125 bps (Interest reset on quarterly basis) - Interest payable on Monthly basis



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.

- Such shares shall confer on the holders thereof, the right to preferential dividend from the date of allotment i.e., 24.09.2015
- 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.
- 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.
- 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.
- 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 the total outstanding amount of ₹ 1000 crore was redeemed on 06.06.2018.

(iii) Preference Shares held by Holding Company

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
50,00,00,000 (2018 : 100,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹10/- each (100%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.	500.00	1000.00

(iv) Details of Preference shareholders holdings more than 5% shares

Name of Preference Shareholder	31-Mar-19		31-Mar-18	
	Number of Preference shares held	Percentage of Holding	Number of Preference shares held	Percentage of Holding
Indian Oil Corporation Limited	500000000	100	1000000000	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

Note – 16 : OTHER FINANCIAL LIABILITIES

₹ in Crore

Sl. No	Particulars	Note	Non-current as at		Current as at	
			31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
1	Current maturities of Long term debt		-	-	350.49	1602.33
2	Liability for Capital Expenditure	A	-	-	574.34	252.47
3	Liability to Trusts and Other Funds		-	-	5.32	8.60
4	Employee Liabilities for Expenses		-	-	97.38	148.20
5	Security Deposits		-	-	46.66	42.27
6	Liability for Dividend	B	-	-	3.93	3.30
7	Other Financial Liabilities		-	-	1.21	0.82
	TOTAL		-	-	1079.33	2057.99

A Includes dues Payable to IOT Infrastructure and Energy Limited ₹ 11.71 Crore (2018: ₹ 5.32 Crore)

B There are no amounts due for payment to the Investor Education and Protection Fund as at the year end.

Note – 17 : PROVISIONS

₹ in Crore

Sl. No	Particulars	Note	Non-current as at		Current as at	
			31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
1	Provision for Employee Benefits		254.68	232.62	25.11	76.73
2	Contingencies for probable obligations		-	-	86.14	86.14
	Less: Deposits		-	-	75.09	75.09
	Contingencies for probable obligations	A	-	-	11.05	11.05
	TOTAL		254.68	232.62	36.16	87.78

A In compliance of Ind AS – 37 on “Provisions, Contingent Liabilities and Contingent Assets”, the required information is as under :

	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year	Closing Balance
Sales Tax	11.05	-	-	-	11.05
Income Tax	75.09	-	-	-	75.09
TOTAL	86.14	-	-	-	86.14
Previous Year	11.05	75.09	-	-	86.14



Note – 18 : OTHER LIABILITIES

₹ in Crore

Sl. No	Particulars	Note	Non-current as at		Current as at	
			31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
1	Revenue Grants - EPCG				-	-
	Liability towards Government Grants	A	1.36	6.05		
2	Statutory Liabilities		-	-	362.28	371.47
3	Advances from Customers		-	-	32.65	14.34
	TOTAL		1.36	6.05	394.93	385.81

A 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 company recognised ₹ 4.96 Crore (2018: ₹ 33.88 Cores) in the statement of profit & loss account as amortisation of revenue grant. The company expects to meet the export obligations and therefore equivalent deferred grant has not been treated as liability.

Note – 19 : BORROWINGS - CURRENT

(At Amortised Cost)

₹ in Crore

Sl. No	Particulars	Note	As at 31-Mar-19	As at 31-Mar-18
I.	SECURED LOANS			
1	Loans Repayable on Demand			
	From Banks:			
	a) In Rupees			
	i) Cash Credit - SBI	A	833.02	2063.00
2	Other Loans			
	From Banks:			
	i) Export Promotion Credit - SBI		135.09	-
	ii) Commercial Paper - SBI		1648.89	-
	Sub-Total		1783.98	-
	Total Secured Loans		2617.00	2063.00
II.	UNSECURED LOANS			
1	Loans Repayable on Demand			
	i) From Banks/Financial Institutions:			
	In Rupees			
	i) Working Capital Demand Loan		2256.97	-
	Sub-Total		2256.97	-
	Total Unsecured Loans		2256.97	-
	TOTAL BORROWINGS - CURRENT		4873.97	2063.00

Notes:

A Secured against hypothecation of Trade receivables & Inventories to the extent of ₹ 4184 Crore with State Bank of India. (2018: ₹ 4184 Crore)

At 31 March 2019 the Company had available ₹ 1527.74 Crore (2018: ₹ 2104.26 Crore) of undrawn Credit facilities.

Note – 20 : TRADE PAYABLES

		₹ in Crore	
Particulars	Note	As at 31-Mar-19	As at 31-Mar-18
Dues to Micro and Small Enterprises	A	1.58	0.12
Dues to Related Parties	B	2973.57	4026.34
Dues to Others		762.36	417.19
TOTAL		3737.51	4443.65

A Details relating to micro, small and medium enterprises is as follows :

Particulars	As at 31-Mar-19	As at 31-Mar-18
(a) the principal amount	1.58	0.12
(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 ₹ 2973.57 Crore (2018: ₹ 4022.82 Crore) and IOT Infrastructure and Energy Services Limited - Nil (2018: ₹ 3.52 Crore)

Note – 21 : REVENUE FROM OPERATIONS

		₹ in Crore		
Sl. No	Particulars	Note	For the year ended 31-Mar-19	For the year ended 31-Mar-18
1	Sale of Products and Crude (including Excise Duty)		52233.64	44149.28
	Less: Discounts		56.21	14.48
	Sales (Net of Discounts)	A	52177.43	44134.80
2	Other Operating Revenues (Note "21.1")		23.79	53.68
			52201.22	44188.48
	TOTAL	B	52201.22	44188.48



Note :

A (i) Breakup of Gross revenue and Excise Duty on sales

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Revenue (gross)	52177.43	44134.80
Less: Excise Duty	10896.98	11577.70
Net Revenue	41280.45	32557.10

(ii) Sale to certain customers, which involves return of material upon extraction of relevant products are being invoiced for the gross supply quantity by the company and quantity returned is being invoiced by the customer on the company upon GST implementation. Accordingly, the quantity supplied to the extent received by the company after extraction is included in both Revenue from operations and purchase of stock in trade to the extent of ₹ 68.95 Crore (2018: ₹ 209.29 Crore) in line with the invoicing pattern under GST.

B Refer Note-41

Note – 21.1 : OTHER OPERATING REVENUES

		₹ in Crore	
Sl. No	Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
1	Sale of Power	1.10	1.76
2	Unclaimed / Unspent liabilities written back	5.24	2.33
3	Recoveries from Employees	1.39	2.64
4	Sale of Scrap	11.10	13.07
5	Amortisation of Government Grants	4.96	33.88
	TOTAL	23.79	53.68

Note – 22 : OTHER INCOME

		₹ in Crore		
Sl. No	Particulars	Note	For the year ended 31-Mar-19	For the year ended 31-Mar-18
1	Interest on :			
	Financial Item:			
	a) Loans and Advances	5.40		9.66
	b) Short Term Deposits with Banks	8.83		0.31
	c) Customers Outstanding	9.42		2.02
	d) Others	5.55		3.53
			29.20	15.52
	Non Financial Item:	A	-	4.01
2	Dividend from Related Parties	B	5.92	5.92
3	Other Non Operating Income		23.61	13.31
	TOTAL		58.73	38.76

A Represents interest on Income tax refund received under the Income Tax Act, 1961

B Represents Dividends received from Indian Additives Limited (Non-Current Investments in Joint Ventures)

Total interest income (calculated using the effective interest method) for financial assets that are not at fair value through profit or loss:

	₹ in Crore	
	For the year ended 31-Mar-19	For the year ended 31-Mar-18
In relation to financial assets measured at amortised cost	29.20	15.52

Note – 23 : COST OF MATERIALS CONSUMED

Particulars	₹ in Crore	
	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Raw Material Consumed :		
Opening Balance	2604.70	1679.28
Add :		
Purchases	38139.97	30238.87
Sub Total	40744.67	31918.15
Less: Closing Stock	2276.56	2604.70
TOTAL (Net)	38468.11	29313.45

Note – 24 : CHANGES IN INVENTORY

Particulars	₹ in Crore	
	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Closing Stock		
a) Finished Products	1700.32	1442.34
b) Stock in Process	633.26	481.33
	2333.58	1923.67
Less:		
Opening Stock		
a) Finished Products	1442.34	991.57
b) Stock in Process	481.33	325.40
	1923.67	1316.97
NET INCREASE/(DECREASE)	409.91	606.70

Note – 25 : EMPLOYEE BENEFIT EXPENSE

Particulars	₹ in Crore	
	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Employee Benefit Expense:		
(a) Salaries, Wages, Bonus etc	361.10	387.34
(b) Contribution to Provident & Other Funds	60.68	153.61
(c) Staff Welfare Expenses	38.74	40.81
TOTAL (Net)	460.52	581.76

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

B Above excludes ₹ 27.84 Crore (2018: ₹ 18.04 Crore) included in capital work in progress (Note - 2.1)



Note – 26 : FINANCE COSTS

			₹ in Crore	
Sl. No	Particulars	Note	For the year ended 31-Mar-19	For the year ended 31-Mar-18
1	Interest Payments on Financial items:	(i)		
	I Working Capital Loans			
	Short term Borrowings	292.73		169.67
	Other Loans			
	Debentures/Foreign Currency Term Loan	A 65.17		27.66
			357.90	197.33
	II Unwinding of Finance cost		-	0.30
	III Interest expense for Preference Shares (including Dividend Distribution Tax) treated as financial liabilities	B	47.46	80.04
2	Interest Payments on Non Financial items	C	2.85	30.17
3	Other Borrowing Cost		1.59	0.51
4	Exchange differences regarded as adjustment to borrowing cost		9.96	12.51
	TOTAL		419.76	320.86
A	Net of interest capitalised as part of CWIP		41.55	77.45
B	Refer Note-15 D (v)			
C	Includes mainly interest under Income Tax Act, 1961			

(i) Total interest expense (calculated using the effective interest method) for financial liabilities that are not measured at fair value through profit or loss:

			₹ in Crore	
			For the year ended 31-Mar-19	For the year ended 31-Mar-18
	In relation to financial liabilities measured at amortised cost		405.36	277.67

Note – 27 : OTHER EXPENSES

			₹ in Crore	
Sl. No	Particulars		For the year ended 31-Mar-19	For the year ended 31-Mar-18
1	Consumption:			
	a) Stores, Spares and Consumables	91.46		82.94
	b) Packages & Drum Sheets	1.14		0.99
			92.60	83.93
2	Power & Fuel	3941.77		2665.73
	Less : Fuel from own production	3860.94		2611.26
			80.83	54.47
3	Irrecoverable taxes - Central Sales Tax		225.43	158.00
4	Repairs and Maintenance			
	i) Plant & Machinery	235.23		153.28
	ii) Buildings	3.34		2.92
	iii) Others	38.70		49.34
			277.27	205.54
5	Freight, Transportation Charges and Demurrage		56.86	72.88
6	Office Administration, Selling and Other Expenses (Note "27.1")		433.02	201.23
	TOTAL		1166.01	776.05
	Less: Company's use of own Products		2.32	22.75
	TOTAL (Net)		1163.69	753.30

Note – 27.1 : OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES

₹ in Crore

Sl. No	Particulars	Note	For the year ended 31-Mar-19	For the year ended 31-Mar-18
1	Rent		14.46	17.39
2	Insurance		15.82	12.78
3	Rates & Taxes		2.67	1.80
4	Payment to auditors :			
	a) For Statutory Audit	0.23		0.18
	b) For Limited Review	0.11		0.10
	c) For Taxation Matters	0.06		0.06
	d) Other Services(for issuing other certificates etc.)	0.03		0.01
			0.43	0.35
5	Travelling & Conveyance		25.79	21.48
6	Communication Expenses		2.23	2.62
7	Printing & Stationery		1.35	1.42
8	Electricity & Water		1.10	0.83
9	Bank Charges		1.22	0.99
10	Provision / Loss on Assets sold or written off (Net)		15.61	2.06
11	Technical Assistance Fees		7.89	8.08
12	Exchange Fluctuation (Net)		242.80	47.31
13	Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores		4.05	5.33
14	Security Force Expenses		33.82	31.12
15	Terminalling Charges		20.40	21.34
16	Expenses on CSR Activities	Refer Note:39	18.89	9.18
17	Miscellaneous Expenses	A	24.49	17.15
	TOTAL		433.02	201.23

A Miscellaneous Expenses Includes:

- i) Expenditure on Advertisement, Public Relations and Publicity amounting to ₹ 3.17 Crore (2018 : ₹ 2.61 Crore). The ratio of annual expenditure on Advertisement,Public Relations and Publicity to the annual turnover (inclusive of excise duty) is 0.00006:1 (2018: 0.00006:1)
- ii) Entertainment Expenses ₹ 0.24 Crore (2018: ₹ 0.28 Crore)

Note – 28 : OTHER COMPREHENSIVE INCOME

₹ in Crore

Sl. No	Particulars		For the year ended 31-Mar-19	For the year ended 31-Mar-18
A.	Items that will not be reclassified to profit or loss:			
1	Remeasurement of Defined Benefit Plans	(2.30)		9.43
			(2.30)	9.43
B.	Income Tax relating to items that will not be reclassified to profit or loss:			
1	Remeasurement of Defined Benefit Plans	0.80		(3.29)
			0.80	(3.29)
	TOTAL		(1.50)	6.14



Note – 29 : DISTRIBUTIONS MADE AND PROPOSED

Particulars	₹ in Crore	
	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Cash dividends on Equity shares declared and paid:		
Final dividend for FY 17-18 declared and paid during the year ended 31 March 2019: ₹ 18.5 per share; (for FY 16-17 dividend declared and paid during the year ended 31 March 2018 : ₹ 21 Per Share)	275.49	312.71
DDT on dividend paid	56.63	63.66
	332.12	376.37
Proposed dividends on Equity shares:		
Final dividend for year ended 31 March 2019: ₹ NIL per share (31 March 2018: ₹ 18.5 per share)	-	275.49
DDT on proposed dividend	-	56.63
	-	332.12

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	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Profit / (Loss) attributable to equity holders (₹ in Crore)	(213.36)	912.92
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	148911400	148911400
Earning Per Share (Basic and Diluted) (₹)	(14.33)	61.31
Face value per share (₹)	10.00	10.00

Note – 31 : DISCLOSURE OF INTEREST IN JOINT VENTURES AND ASSOCIATES

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	(₹ in Crore)
					Carrying Amount
Indian Additives Limited	India	50%	Joint Venture	Equity Accounting	11.83
National Aromatics and Petrochemical Corporation Limited	India	50%	Joint Venture	Equity Accounting	Nil

Note – 32 EMPLOYEE BENEFITS

Disclosures in compliance with Ind AS 19 on “Employee Benefits” is as under:

A. Defined Contribution Plans- General Description**Pension Scheme:**

During the year, the company has recognised ₹22.53 Crore (2018: ₹ 22.15 Crore) towards Defined Contributory Employees Pension Scheme in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident & Other Funds in Note - 25/ Construction period expenses in Note-2.1)

During the year, the company has recognised ₹ 2.24 Crore (2018: ₹ 2.34 Crore) as contribution to EPS-95 in the Statment of Profit and Loss/CWIP (included in Contribution to Provident and Other Funds in Note-25/Construction period expenses in Note-2.1)

B. Defined Benefit Plans- General Description**1 Provident Fund:**

The Company's contribution to the Provident Fund is remitted to separate provident fund trust established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company. The Provident Funds maintained by the PF Trust in respect of which actuarial valuation is carried out does not have any deficit as on 31st March 2019.

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.

3 Post Retirement Medical Scheme (PRMS):

PRMS provides medical benefit to retired employees and eligible dependant family members.

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:**

Each employee is entitled to get 8 days of earned leaves for each completed quarter of service. Encashment of earned leaves is allowed during service leaving a minimum balance of 15 days subject to maximum accumulation up to 300 days. In addition, each employee is entitled to get 5 days of sick leaves at the end of every six months. The entire accumulation of sick leaves is permitted for encashment only at the time of retirement.

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.



D. The summarised position of various defined benefits / Long Term Employee Benefits recognised in the Statement of Profit & Loss, Balance Sheet are as under:

(Figures presented in *Italic Font* in the table are for previous year)

(i) Reconciliation of balance of Defined Benefit / Long Term Employee Benefit Obligations

₹ in Crore

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Defined Obligation at the beginning	471.24	141.47	164.31
	<i>417.77</i>	<i>79.98</i>	<i>59.67</i>
Current Service Cost	20.89	1.48	3.58
	<i>19.92</i>	<i>0.89</i>	<i>3.32</i>
Interest Cost	41.74	11.15	12.75
	<i>36.58</i>	<i>5.81</i>	<i>4.44</i>
Past Service Cost	-	-	-
	-	<i>66.23</i>	<i>103.77</i>
Benefits paid	(39.00)	(13.28)	(3.98)
	<i>(34.30)</i>	<i>(5.86)</i>	<i>(3.49)</i>
Employee Contribution	49.59	-	-
	<i>30.78</i>	-	-
Transferred from other company	0.49	-	-
	<i>0.49</i>	-	-
Actuarial (gain)/ loss on obligations	-	3.40	(1.12)
	-	<i>(5.58)</i>	<i>(3.40)</i>
Defined Benefit Obligation at the end of the year	544.95	144.22	175.54
	<i>471.24</i>	<i>141.47</i>	<i>164.31</i>

(ii) Reconciliation of balance of Fair Value of Plan Assets

(₹ in Crore)

	Provident Fund	Gratuity
	Funded	Funded
Fair Value of Plan Assets at the beginning of the year	481.81	81.86
	<i>427.86</i>	<i>80.27</i>
Expected return on plan assets	41.74	(0.02)
	<i>36.58</i>	<i>0.45</i>
Contribution by employer	20.89	59.59
	<i>19.92</i>	<i>0.00</i>
Contribution by employees	49.59	-
	<i>30.77</i>	-
Benefit paid	(39.00)	(13.24)
	<i>(34.29)</i>	<i>(4.69)</i>
Transferred from other company	0.49	-
	<i>0.49</i>	-
Interest Income	-	10.46
	-	<i>5.83</i>
Actuarial gain / (losses)	1.34	-
	<i>0.48</i>	-
Fair value of plan assets at the end of the year	556.86	138.65
	<i>481.81</i>	<i>81.86</i>

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

(₹ in Crore)

	Provident Fund	Gratuity
	Funded	Funded
Fair Value of Plan Assets at the end of the year	556.86	138.65
	481.81	81.86
Defined Benefit Obligation at the end of the year	544.95	144.22
	471.24	141.47
Liability recognised in the Balance Sheet (As per para 64 of Ind AS-19)	-	5.57
	-	59.61
Amount not recognised in the Balance Sheet	(11.91)	-
	(10.57)	-

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

(₹ in Crore)

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Current Service Cost	20.89	1.48	3.58
	19.92	0.89	3.32
Interest Cost	41.74	11.15	12.75
	36.58	5.81	4.44
Expected (return) / loss on plan asset	(41.74)	(10.46)	-
	(36.58)	(5.83)	-
Contribution by Employees	-	-	-
	-	-	-
Past Service Cost	-	-	-
	-	66.23	103.77
Expenses for the year	20.89	2.17	16.33
	19.92	67.10	111.53

(v) Amount recognised in Other Comprehensive Income (OCI)

(₹ in Crore)

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Actuarial (gain)/ loss on Obligations	-	3.40	(1.12)
	-	(5.58)	(3.40)
Remeasurement (Return on Plan Assets excl interest income)	1.34	0.02	-
	0.48	(0.45)	-
Net Loss / (Gain) recognized in OCI	-	3.42	(1.12)
	-	(6.03)	(3.40)
Net Loss / (Gain) not recognized in P&L / OCI	(1.34)	-	-
	(0.48)	-	-



(vi) Major Actuarial Assumptions

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Discount rate	7.69% 7.88%	7.69% 7.88%	7.78% 7.76%
Expected return on plan assets	8.65% 8.65%	- -	- -
Salary escalation	- -	8.00% 8.00%	- -
Inflation	- -	- -	7.00% 7.00%

The estimate of future salary increases considered in actuarial valuation takes into account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management and historical results of the return on plan assets.

(vii) Sensitivity on Actuarial Assumptions:

(₹ in Crore)

Loss / (Gain) for:	Gratuity	PRMS
	Funded	Non-funded
Change in Discounting Rate		
Increase by 0.5%	(3.77) (3.76)	(13.01) (12.34)
Decrease by 0.5%	3.99 3.98	14.76 13.99
Change in Employee Turnover		
Increase by 0.5%	1.15 1.20	0.56 0.53
Decrease by 0.5%	(1.21) (1.25)	(0.60) (0.57)
Change in Salary Escalation/ Inflation rate		
Increase by 0.5%	0.94 0.87	14.90 14.13
Decrease by 0.5%	(0.96) (0.91)	(13.24) (12.55)

(viii) Investment details:

	Provident Fund	Gratuity
	Funded	Funded
Investment with Insurer	- -	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
	Funded	Funded
Government securities (Central & State)	42.50%	66.76%
	44.22%	43.86%
Investment in Equity / Mutual Funds	6.20%	6.94%
	5.28%	4.75%
Investment in Debentures / Securities	46.03%	22.17%
	44.09%	47.17%
Other approved investments (incl. Cash)	5.26%	4.13%
	6.41%	4.22%

(ix) The following payments are expected projections to the defined benefit plan in future years:

Cash Flow Projection from the Fund/Employer	(₹ in Crore)		
	Gratuity	PRMS	Total
	Funded	Non-funded	
Within next 12 Months	17.64	4.63	22.27
	18.00	4.19	22.19
Between 2 to 5 Years	71.05	26.28	97.33
	68.45	23.20	91.65
Between 6 to 10 Years	66.34	51.30	117.64
	66.58	47.12	113.70
	Gratuity	PRMS	
	Funded	Non-funded	
Weighted Average Duration of Defined Benefit Obligation	7 Years	16 Years	
	7 Years	16 Years	

Note – 33 : COMMITMENTS AND CONTINGENCIES**A Leases****Operating lease — as lessee**

The company has taken certain assets (including office/residential premises/Land) on Operating Lease which are cancellable by giving appropriate notice as per the respective agreements. During the year ₹14.46 Crore (2018: ₹17.39 Crore) had been paid towards cancellable Operating Lease.

B Contingent Liabilities

Contingent Liabilities amounting to ₹671.82 Crore (2018: ₹691.42 Crore) are as under:

- ₹21.44 Crore (2018: ₹25.20 Crore) being the demands raised by the Central Excise / Customs / Service Tax Authorities including interest of ₹8.29 Crore (2018: ₹8.08 Crore).
- ₹527.71 Crore (2018: ₹529.98 Crore) being the demands raised by the VAT/ Sales Tax Authorities and includes no interest (2018: Nil).



- (iii) ₹92.39 Crore (2018: ₹98.16 Crore) in respect of Income Tax demands including interest of ₹46.57 Crore (2018: ₹48.03 Crore).
- (iv) ₹30.28 Crore (2018: ₹38.08 Crore) including ₹23.53 Crore (2018: ₹31.49 Crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹8.82 Crore (2018: ₹8.68 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 ₹833.15 Crore (2018: ₹1152.54 Crore).

(ii) Other Commitments

The Company has an export obligation to the extent of ₹31.74 Crore (2018: ₹101.46 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:

Particulars	₹ in Crore)	
	31-Mar-19	31-Mar-18
• Sale of Product and Services	46947.92	39870.40
• Dividend on Preference Shares	66.50	66.50
• Dividend paid on Equity Shares	142.94	162.27
• Sale of Scrap / Catalyst	1.03	0.15
• EDP Maintenance	3.01	2.53
• Other Non operating Income	3.51	3.24
• Purchase of Raw Material	981.62	316.92
• Purchase of Stock-in-Trade	207.78	191.33
• Purchase of Stores & Spares	5.47	4.96
• Canalising commission	2.50	2.50
• Terminalling Charges	8.74	8.36
• Rental Expenditure	2.07	2.71
• Purchase of RLNG	6.88	-
• Creation of capital facilities by IOCL	8.11	10.04
• Capital Advances	0.79	13.67
• Outstanding Receivables	1360.02	1308.80
• Outstanding payables		
Trade Payables	2973.57	4022.82
Preference Shares (at face value)	500.00	1000.00

B. Details of Joint Ventures

		(₹ in Crore)	
i) Indian Additives Limited			
	Particulars	31-Mar-19	31-Mar-18
•	Investment	11.83	11.83
•	Sale of Product	51.52	42.03
•	Rental income	0.58	0.56
•	Dividend received	5.92	5.92
•	Sale of Water	-	0.01
•	Outstanding Receivables	3.46	1.60
ii) National Aromatics & Petrochemicals Corp. Limited			(₹ in Crore)
	Particulars	31-Mar-19	31-Mar-18
•	Investments in Joint Venture Entities/ Associates*	0.03	0.03
* The Investment has been fully provided for diminution in value (Note - 4)			

C. Entities Over which KMP has significant influence

		(₹ in Crore)	
i) CPCL Educational Trust			
	Particulars	31-Mar-19	31-Mar-18
•	CSR Expenses	0.70	0.62

D. Associates of Holding Company

		(₹ in Crore)	
i) IOT Infrastructure & Energy Services Limited			
	Particulars	31-Mar-19	31-Mar-18
•	Terminalling/Bottling Charges	1.58	18.48
•	Capital Projects	8.10	19.76
•	Outstanding payable	11.71	8.83

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.

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 Gautam Roy (Upto 31.1.2018)	1) Shri.B.Ashok (Non - Executive Chairman) (Upto 31.5.2017)
2) Shri S.Venkataramana (Upto 31.7.2017)	2) Shri.Sanjiv Singh (Non - Executive Chairman)
3) Shri U.Venkata Ramana (Upto 31.7.2018)	3) Shri.K.M.Mahesh (Upto 24.11.2017)
4) Shri S.Krishna Prasad (Upto 31.1.2018)	4) Shri.Mrutunjay Sahoo
5) Shri S.N. Pandey	5) Dr.PB.Lohiya
6) Shri G.Aravindan	6) Smt. Perin Devi
7) Shri Rajeev Ailawadi (w.e.f 08.5.2018)	7) Shri B V Rama Gopal (w.e.f 05.04.2018)
8) Shri R.Srikanthan (w.e.f 13.8.2018)	8) Shri D. Durai Ganesan (w.e.f 14.8.2018)
9) Shri P.Shankar	9) Shri.Mohammad Bagher Dakhili
	10) Shri Babak Bagherpour (w.e.f 27.03.2019)
	11) Shri S.M. Vaidya (Upto 05.04.2018)

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

For the Year ended 31-Mar-19								(₹ in Crore)
Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Sitting Fee	Outstanding loans/advance receivables	
A. Whole Time Directors / Company Secretary								
1) Shri S.N. Pandey	0.51	0.08	-	-	0.59	-	0.01	
2) Shri G.Aravindan	0.52	0.08	-	-	0.60	-	-	
3) Shri Rajeev Ailawadi	0.35	0.06	-	-	0.41	-	-	
4) Shri R.Srikanthan	0.37	0.09	0.02	-	0.48	-	-	
5) Shri U.Venkataramana	0.17	0.03	-	-	0.20	-	-	
6) Shri P.Shankar	0.48	0.07	-	-	0.55	-	0.11	
B. Independent / Government Nominee Directors#								
1) Shri Mrutunjay Sahoo	-	-	-	-	-	0.06	-	
2)Dr.PB.Lohiya	-	-	-	-	-	0.06	-	
3)D.Durai Ganesan	-	-	-	-	-	0.02	-	
TOTAL	2.40	0.41	0.02	-	2.83	0.14	0.12	

Sitting fees paid to Independent Directors

For the Year ended 31-Mar-18

(₹ 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 Gautam Roy	0.44	0.06	0.11	-	0.60	-	-
2) Shri S.Venkataramana	0.23	0.11	0.30	-	0.64	-	-
3) Shri U.Venkataramana	0.48	0.05	0.06	-	0.60	-	0.02
4) Shri S.Krishna Prasad	0.33	0.05	0.04	-	0.42	-	-
5) Shri P.Shankar	0.39	0.06	0.04	-	0.49	-	0.04
6) Shri S.N. Pandey	0.05	0.01	-	-	0.06	-	0.01
7) Shri G.Aravindan	0.07	0.01	-	-	0.08	-	-
B. Independent / Government Nominee Directors*							
1)Shri.Mrutunjay Sahoo	-	-	-	-	-	0.03	-
2)Dr.P.B.Lohiya	-	-	-	-	-	0.05	-
TOTAL	1.99	0.35	0.55	-	2.89	0.08	0.07

* Sitting fees paid to Independent Directors

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

3) Trusts

Transactions with Post Employment Benefit Plans managed through separate trust

(₹ in Crore)

Sl. No	Name of the Trust	Post Employment Benefit Plan	31-Mar-19		31-Mar-18	
			Contribution by Employer	Outstanding Payable	Contribution by Employer	Outstanding Payable
A	CPCL Employees Provident Fund	Provident Fund	20.97	5.00	20.12	4.37
B	CPCL Employees Superannuation Benefit Fund	Pension Scheme	22.53	-	21.13	2.17
C	CPCL Employees Group Gratuity Trust	Gratuity	59.59	-	-	-



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-19	As at 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18	
Financial Assets					
Amortised Cost:					
Loans to employees	55.65	47.85	50.16	46.70	Level 2
Total	55.65	47.85	50.16	46.70	
Financial liabilities					
A. Borrowings:					
Amortised Cost:					
Non-Convertible Redeemable Bonds	-	1000.00	-	1014.54	Level 2
Preference Shares	547.33	1080.04	558.38	1088.12	Level 2
Term Loans from Oil Industry Development Board (OIDB)	50.00	-	50.03	-	Level 2
Total	597.33	2080.04	608.41	2102.66	

Notes:

- Levels under Fair Value measurement hierarchy are as follows:
 - Level 1** items fair valuation is based upon **market price quotation at each reporting date**
 - Level 2** items fair valuation is based upon **Significant observable inputs like PV of future cash flows, MTM valuation, etc.**
 - Level 3** items fair valuation is based upon **Significant unobservable inputs wherein valuation done by independent valuer.**
- 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.
- The fair value of the financial assets and liabilities is 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:

- 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.
- Loans to employees, Loan to related parties, Security deposits paid and Security deposits received:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities
- Non Convertible Redeemable Preference shares :** The fair value of Preference shares is estimated by discounting future cash flows.
- 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 2017-18 was reviewed by the Audit Committee and Board at the Meeting held on 10.05.2018 and the Report for the year 2018-19 has been reviewed by the Audit Committee and Board at the Meeting held on 07.05.2019 and 08.05.2019 respectively.

The Board of Directors oversees the risk management activities for managing each of these risks, which are summarised below:

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		Effect on profit before tax	
	in basis points		in basis points	
	(₹ in Crore)		(₹ in Crore)	
	31-Mar-19		31-Mar-18	
INR	+50	(6.65)	+50	(10.32)
US Dollar	+50	(3.48)	+50	(1.63)
INR	-50	6.65	-50	10.32
US Dollar	-50	3.48	-50	1.63

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The major components of market risk are interest rate risk, foreign currency risk, commodity price risk and other price risks etc. Financial instruments affected by market risk include Borrowings, Deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2019 and 31 March 2018

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions, and other non-financial assets.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2019 and 31 March 2018 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 2019.

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 2019, approximately 69% of the Company's borrowings are at a fixed rate of interest (31 March 2018: 46%).



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	
	in %	(₹ in Crore)	in %	(₹ in Crore)
	31-Mar-19		31-Mar-18	
US Dollar	+5%	(177.87)	+5%	(203.34)
	-5%	177.87	-5%	203.34

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 2019 and 31 March 2018 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-19						
Borrowings	3089.99	1788.67	345.80	1443.51	-	6667.97
Trade payables	1168.95	2568.56	-	-	-	3737.51
Other financial liabilities	728.84	-	-	-	-	728.84
	4987.78	4357.23	345.80	1443.51	-	11134.32
Year ended 31-Mar-18						
Borrowings	2063.00	500.87	1101.46	825.90	-	4491.23
Trade payables	274.12	4169.53	-	-	-	4443.65
Other financial liabilities	455.66	-	-	-	-	455.66
	2792.78	4670.40	1101.46	825.90	-	9390.54

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. The Company also includes accrued interest in the borrowings for the purpose of capital management.

(₹ in Crore)

Particulars	31-Mar-19	31-Mar-18
Borrowings	6667.97	4491.23
Total Borrowings	6667.97	4491.23
Equity Share Capital	148.91	149.00
Reserves and Surplus	3160.60	3707.49
Equity	3309.51	3856.49
Debt Equity Ratio	2.01 : 1	1.16 : 1

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018



Note – 38 : RESEARCH AND DEVELOPMENT COSTS

Research and Development Expenses of ₹ 0.41 Crore(2018: ₹ 3.70 Crore) of capital expenditure incurred and ₹ 5.91 Crore (2018 ₹ 7.81 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 (FIXED ASSETS)

₹ in Crore

Asset Block	Gross Block as at 1 st Apr 2018	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at 31 st Mar 2019	Work-in-Progress as at 1 st Apr 2018	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31 st Mar 2019	Total Capital Expenditure
1	2	3	4	5	6 = (2+3+4-5)	7	8	9	10 = (7+8-9)	11=(3+8)
Fixed Assets										
Plant & Equipment	15.68	0.28	-	-	15.96	0.06	0.06	-	0.12	0.34
Office Equipment	0.28	0.02	-	-	0.30	-	-	-	-	0.02
Furniture & Fixtures	0.23	0.05	-	-	0.28	-	-	-	-	0.05
Total	16.19	0.35	-	-	16.54	0.06	0.06	-	0.12	0.41

B. RECURRING EXPENSES

₹ in Crore

Sl. No	Particulars	31-Mar-19	31-Mar-18
1	Consumption of Stores, Spares & Consumables	0.52	2.87
2	Repairs & Maintenance		
	(a) Plant & Machinery	0.15	0.33
3	Payment to and Provisions for employees	4.65	4.35
4	Other Expenses	0.59	0.26
	Total	5.91	7.81

C. TOTAL RESEARCH EXPENSES

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Capital Expenditure	0.41	3.70
Recurring Expenditure	5.91	7.81
Total	6.32	11.51

Note – 39 Disclosure relating to Corporate Social Responsibility (CSR) Expenditure

The disclosure in respect of CSR expenditure for Financial Year ended 2018-19 is as under:

(₹ in Crore)

Particulars	31-Mar-19	31-Mar-18
(a) Gross amount required to be spent by the company during the year.		
Annual CSR Allocation	18.74	9.09
Carry forward from previous year	-	-
Gross amount required to be spent	18.74	9.09

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

	31-Mar-19			31-Mar-18		
	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	4.73	0.02	4.75	1.17	-	1.17
Swachh Bharat	7.22	0.10	7.32	4.47	-	4.47
Education/employment vocational skills	3.91	-	3.91	1.07	-	1.07
Drinking Water	0.30	-	0.30	0.21	-	0.21
Other expenses	2.61	-	2.61	2.26	-	2.26
Total Expenses (ii)	18.77	0.12	18.89	9.18	-	9.18
Grand Total (i) and (ii)	18.77	0.12	18.89	9.18	-	9.18

**Provisions made for liabilities incurred

Note – 40 EXPOSURE TO FINANCIAL DERIVATIVES**Financial and Derivative Instruments:**

- 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.
- The company has No Outstanding forward contract as at 31st March 2019(2018 : NIL) which has been undertaken to hedge its exposure to borrowings and other financial liabilities.
- Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2019 is given below:

S. No	Particulars	₹ in Crore	
		As on 31-Mar-19 Aggregate amount	As on 31-Mar-18 Aggregate amount
1	Unhedged- Payables	3691.80	4347.97
2	Unhedged- Receivables	134.46	281.19

NOTE-41 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 is given below;

	₹ in Crore	
	2018-19	2017-18
Total Revenue	52191.02	44152.27
Revenue from contract with customers	52177.43	44134.80
Revenue from other contracts/from others	13.59	17.47

No impairment of losses on receivables has been recognised during the current and previous year.

Reconciliation of Opening and Closing balance of Receivables :

	₹ in Crore	
	Receivables	
	2018-19	2017-18
Opening Balance	1569.49	1039.7
Additions during the year- From New Contracts	52189.63	44134.80
Less: Amount Received	52135.38	43605.01
Closing Balance	1623.74	1569.49

Note – 42 : OTHER DISCLOSURES

1 Details of impairment loss in respect of Cauvery Basin Refinery

The Company has refineries at two locations viz., Manali and Nagapattinam (Cauvery Basin Refinery - CBR). Consequent to implementation of BS- IV specifications on a pan India basis w.e.f 01.04.2017 and in the absence of secondary treatment facilities, the BS – III grade of diesel production from CBR would not be marketable in the local market, entailing significant coastal/export under recoveries, which has adversely impacted the profitability of CBR and hence the value in use is negative. Accordingly, in line with the requirements of Ind AS -36, an amount of ₹ 0.93 Crore (2018: ₹ 4.33 Crore) has been accounted as impairment loss during the year, being the difference between the carrying value of additions (including Capital work in Progress) during the year and the recoverable value of the assets. This impairment loss has been recognised in the statement of profit and loss as the carrying value of the assets is lower than the value in use/ estimated recoverable amount of this CGU. Total impairment loss recognized as on 31.03.2019 - ₹ 67.04 Crore (2018: ₹ 66.11 Crore). Further the operations of the CBR unit have been stopped from 01.04.2019.

In estimating the value in use, the approximate weighted average capital cost has been considered as the discount rate used to calculate the net present value of the estimated future cash flows, which are subject to changes in the external environment.

The fair value less cost of disposal used to determine the recoverable amounts of the impaired assets are classified as level 3 fair value measurements (as detailed in statement of significant accounting policy no.4), as the estimated recoverable amounts are not based on observable market data, rather, management's best estimates. 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.

- 2 Capital Work in progress & Intangibles under development includes ₹ 25.11 crore and ₹ 77.99 crore (2018 : Nil) respectively towards pre-project feasibility studies for the 9 MMTPA refinery being planned at Cauvery Basin Refinery, Nagapattinam.
- 3 Pay revision in respect of supervisory employees due from 01.01.2017 has been implemented based on receipt of presidential directives on 29.10.2017 and accounted accordingly. Pending finalization of revision in pay and benefits in respect of non - supervisory employees, provision of ₹ 69.14 crore, including consequential impact of retirement benefits has been reckoned. (2018: ₹ 37.83 Crore)
- 4 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.

- 5 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.
- 6 (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.
- 7 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 ₹ 63.98 Crore (replacement & repair cost net of deductibles and Fuel cost for start-up, shutdown and for loss minimisation net of deductibles), on account payment of ₹ 3.00 Crore received from the insurance company in FY 2015-16, has been accounted as income in that year. The claim has been lodged with the insurance company. The insurance company is yet to settle the claim amount.
- In respect of damages suffered due to Vardha cyclone during December 2016, claim of ₹ 4.36 Crore (net of deductibles) for material damage and ₹ 1.22 Crore (net of deductibles) relating to fuel cost for shutdown and startup was submitted to the Insurance Company during the year 2018-19. Final claim is yet to be lodged with the insurance company.
- 8 Valuation of Finished Products:
- The overall gross margin percentage for all joint products is subtracted from the sale value of inventory of each product to arrive at the total cost of each product which is taken as the basis for valuation of closing stock of finished products. (Refer Policy No 7.2 in Note – 1 – “Statement of Significant Accounting Policies”).
- 9 The company operates only in a single segment viz. downstream petroleum sector. As such reporting is done on a single segment basis.
- 10 There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the Balance Sheet date.
- 11 Previous year's comparative figures have been regrouped, reclassified and recast wherever necessary.

(S N Pandey)
Managing Director
DIN - 08062182

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P.Shankar)
Company Secretary
ACS -7624

As per our Report of even date

For PADMANABHAN RAMANI & RAMANUJAM
Chartered Accountants
(FRN: 002510S)

For S. VISWANATHAN LLP
Chartered Accountants
(FRN: 004770S / S200025)

P. Ranga Ramanujam
Partner
Membership No. 022201

V.C. Krishnan
Partner
Membership No. 022167

Place : Chennai
Date : 08-May-2019



Independent Auditors' Report

To
The Members of Chennai Petroleum Corporation Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying Consolidated financial statements of Chennai Petroleum Corporation Limited (hereinafter referred to as the "Holding Company"), and its Jointly Controlled Companies, which comprise the Consolidated Balance Sheet as at March 31, 2019, 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 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 accounting principles generally accepted in India, of their Consolidated state of affairs of the Holding Company and Jointly Controlled Companies as at

March 31, 2019, and of Consolidated Loss, Consolidated changes in equity and its Consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit 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 Holding Company 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 the Institute of Chartered Accountants of India (ICAI), and the relevant provisions of the Act, 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.

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.

SL.No	Key Audit Matter	How the audit matter was addressed in the audit
1	<p>Measurement of Inventories (excluding stores and spares)</p> <p>i) As at March 31, 2019 the value of Inventory (excluding stores and spares) is ₹ 4610.02 Crore. This constitutes significant percentage of the current assets of the Company.</p> <p>ii) The Inventories are measured by volume at the natural temperature and converted to its volume and density at 15°C, to derive their quantitative measure.</p> <p>iii) The closing Inventory of raw materials has different grades having different weighted average price. The closing inventory of finished goods comprises several products, produced at different refining stages.</p> <p>iv) Considering the various technical measures applied in determining the quantity and value of the inventories (excluding stores and spares), we believe a higher inherent risk is associated with its measurement, requiring significant judgements and estimates.</p> <p>(Please Refer Note No's. 9, 42.8 and significant accounting policy No. 7.1 and 7.2 in Note No.1A)</p>	<p>i) We have evaluated the appropriateness of the management's tank gauging instructions and procedures adopted for recording the Company's physical inventory measurement.</p> <p>ii) We have planned and observed the performance of the management's volume measurement procedures at the year end.</p> <p>iii) We have derived 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.</p> <p>iv) In case of raw material we have tested the correctness of the computation of the weighted average cost of each grade.</p> <p>v) In respect of work in progress and finished goods, verified the correctness of valuation.</p> <p>We have tested the appropriateness of net realisable value of the inventories.</p>
2	<p>Impairment and valuation of refinery at Cauvery Basin (Nagapattinam)</p> <p>Impairment continues to be an area with inherent risk with respect to adequacy in estimating impairment. In view of the volatility of the industry being in the crude oil sector and Government policies, it requires inputs based on reasoning and available evidence.</p>	<p>i) We assessed and tested the design and parameters based on which the impairment was defined. Our testing procedures included the application of the procedures define by the standard for impairment.</p> <p>ii) The management also independently went in for an evaluation of the project to test for further impairment, by hiring the services of an independent valuer.</p> <p>iii) Based on the tests conducted and the independent valuer's report and also the assumptions, design and parameters used by the management we find the provision to be appropriate and the amount treated as impairment to be adequate as at March 31, 2019.</p>

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's Annual Report, but does not include the standalone and consolidated financial statements and our auditor's report thereon, which are expected to be made available to us after the date of this Auditor's Report.

Our opinion on the consolidated financial statements does not cover the other information and 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated statement of changes in equity and consolidated cash flows of the Company of the Holding Company and its Jointly controlled Companies in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

The Board of Directors of the companies included in the Holding Company and jointly controlled companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its Jointly Controlled Companies 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 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 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 Holding Company, as aforesaid.

In preparing the consolidated financial statements, the Board of Directors of the companies included in the Holding Company and its Jointly Controlled Companies are responsible for assessing the ability of the Holding Company and its Jointly Controlled Companies 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 Holding company and its Jointly Controlled Companies or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Holding Company and its Jointly Controlled Companies are responsible for overseeing the financial reporting process of the Holding Company and its Jointly Controlled Companies.

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 users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement 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 Holding Company and its Jointly Controlled Companies 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 Holding Company and its Jointly Controlled Companies 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 Holding Company and its Jointly Controlled Companies 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 Holding 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

We did not audit the financial statements / financial information of two jointly controlled companies, whose financial statements / financial information reflect total assets of ₹ 473.46 crores and net assets of ₹ 326.69 crores as at March 31, 2019, total revenues of ₹ 786.74 crores and net cash outflows amounting to ₹ 19.02 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the share of total comprehensive income of ₹ 13.67 crores for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of jointly controlled entities, 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 entities, 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 and the financial statements / financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of cash flow 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 Accounting Standards specified under section 133 of the Act.
- e) The parent company being a Government Company, the clause 164(2) of the Act, does not apply to the directors of the parent company. On the basis of the reports of the statutory auditors of the jointly controlled company incorporated in India, none of the directors of the jointly controlled company is disqualified as on 31st March, 2019 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 Holding Company and its Jointly Controlled Companies and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- g) The Parent 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 reports of the statutory auditors of the jointly controlled company incorporated in India, the remuneration paid by the Jointly controlled company to its director during the current year is in accordance with the 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 Auditors) 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 Holding Company - Refer Note 33 to the Consolidated Financial Statements.
 - ii) The Holding Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Jointly Controlled Companies.

For Padmanabhan Ramani & Ramanujam

Chartered Accountants
FRN: 0025105

P. Ranga Ramanujam

Partner
Membership No: 022201

Place : Chennai

Date : 8th May 2019

For S.Viswanathan LLP

Chartered Accountants
FRN: 0047705/S200025

V.C. Krishnan

Partner
Membership No: 022167



Annexure A to the Independent Auditors' Report

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 Holding Company") as of March 31, 2019 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding 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 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 Consolidated 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.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, 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, 2019, 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: 0025105

P. Ranga Ramanujam

Partner
Membership No: 022201

Place : Chennai

Date : 8th May 2019

Other Matters

Our aforesaid reports under section 143(3)(i) of the act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to Joint controlled companies, which is incorporated in India, is based on the corresponding report of the auditors of such companies incorporated in India.

For S.Viswanathan LLP

Chartered Accountants
FRN: 0047705/S200025

V.C. Krishnan

Partner
Membership No: 022167



Consolidated Balance Sheet

As at 31st March 2019

Particulars	Note	₹ in Crore	
		As at 31-Mar-19	As at 31-Mar-18
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	6954.28	5888.74
(b) Capital work-in-progress	2.1	1121.49	1409.80
(c) Intangible assets	3	23.03	24.79
(d) Intangible assets under development	3.1	77.99	-
(e) Investment in Joint Ventures	4	158.98	152.44
(f) Financial Assets			
(i) Investments	4.1	0.11	0.11
(ii) Loans	5	45.21	34.86
(iii) Other Financial Assets	6	76.63	47.80
(g) Income tax assets (Net)	7	45.48	11.60
(h) Other non-current assets	8	46.01	48.00
		8549.21	7618.14
(2) Current assets			
(a) Inventories	9	4846.96	4748.66
(b) Financial Assets			
(i) Trade receivables	10	1623.74	1569.49
(ii) Cash and cash equivalents	11	0.17	0.04
(iii) Other bank balances	12	9.60	8.66
(iv) Loans	5	22.78	23.47
(v) Other Financial Assets	6	20.70	26.05
(c) Other current assets	8	325.57	311.49
		6849.52	6687.86
TOTAL		15398.73	14306.00
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	13	148.91	149.00
(b) Other Equity	14	3307.63	3848.00
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	1443.51	825.90
(b) Provisions	17	254.68	232.62
(c) Deferred tax liabilities (Net)	7	120.74	206.20
(d) Other non-current liabilities	18	1.36	6.05
		1820.29	1270.77
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	4873.97	2063.00
(ii) Trade payables	20		
-Total outstanding dues of micro and small enterprises		1.58	0.12
-Total outstanding dues of creditors other than micro and small enterprises		3735.93	4443.53
(iii) Other financial liabilities	16	1079.33	2057.99
(b) Other current liabilities	18	394.93	385.81
(c) Provisions	17	36.16	87.78
		10121.90	9038.23
TOTAL		15398.73	14306.00
See accompanying notes to the financial statements	1-44		

(S N Pandey)
Managing Director
DIN - 08062182

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P.Shankar)
Company Secretary
ACS -7624

As per our attached Report of even date

For PADMANABHAN RAMANI & RAMANUJAM
Chartered Accountants
(FRN: 002510S)

For S. VISWANATHAN LLP
Chartered Accountants
(FRN: 004770S / S200025)

P. Ranga Ramanujam
Partner
Membership No. 022201

V.C. Krishnan
Partner
Membership No. 022167

Place : Chennai
Date : 08-May-2019

Consolidated Statement of Profit and Loss

For the year ended 31st March 2019

₹ in Crore

	Particulars	Note	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
I.	Revenue from operations	21	52201.22	44189.18
II.	Other income	22	52.81	32.84
III.	Total Income (I + II)		52254.03	44222.02
IV.	Expenses:			
	Cost of materials consumed	23	38468.11	29313.45
	Purchase of Stock-in-Trade		1139.51	400.62
	Changes in Inventories (Finished Goods and Work-In Progress)	24	(409.89)	(606.67)
	Excise Duty		10862.83	11661.19
	Employee benefits expense	25	460.52	581.76
	Finance costs	26	419.76	320.86
	Depreciation and Amortisation expense on:			
	a) Tangible Assets		450.92	338.79
	b) Intangible Assets		1.61	1.41
			452.53	340.20
	Impairment on Property, Plant and Equipment / CWIP		0.93	4.33
	Other expenses	27	1163.70	753.29
	Total Expenses (IV)		52558.00	42769.03
V	Profit/(Loss) before Exceptional items and tax (III - IV)		(303.97)	1452.99
VI	Share of Profit of Joint Ventures		13.96	19.54
VII	Exceptional Items		-	-
VIII	Profit/(Loss) before tax (V + VI + VII)		(290.01)	1472.53
IX	Tax expense:	7		
	(1) Current tax [Includes Nil (2018: ₹31.39 Crore) relating to prior years]		-	366.66
	(2) Deferred tax [Includes Nil (2018: ₹15.23 Crore) relating to prior years]		(84.66)	178.65
X	Profit/(loss) for the year from continuing operations (VIII - IX)		(205.35)	927.22
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)		(205.35)	927.22
XV	Other Comprehensive Income	28		
A.	(i) Items that will not be reclassified to profit or loss		(2.74)	9.62
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	7	0.96	(3.36)
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)		(207.13)	933.48
XVII	Earnings per Equity Share:			
	(1) Basic (₹)	30	(13.79)	62.27
	(2) Diluted (₹)		(13.79)	62.27
	See accompanying notes to the financial statements	1-44		

(S N Pandey)
Managing Director
DIN - 08062182

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P.Shankar)
Company Secretary
ACS -7624

As per our attached Report of even date

For PADMANABHAN RAMANI & RAMANUJAM
Chartered Accountants
(FRN: 002510S)

For S. VISWANATHAN LLP
Chartered Accountants
(FRN: 004770S / S200025)

P. Ranga Ramanujam
Partner
Membership No. 022201

V.C. Krishnan
Partner
Membership No. 022167

Place : Chennai
Date : 08-May-2019



Consolidated Statement of Changes in Equity

For the year ended 31st March 2019

(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 2018	148911400	148.91	0.09	-	149.00
At 31 March 2019	148911400	148.91	0.09	(0.09)	148.91

(b) Other equity

₹ in Crore

	Reserve and Surplus						Total
	Securities Premium	Bond Redemption Reserve	Capital Redemption reserve	Capital reserve	Retained earnings	General reserve	
As at 1 April 2017	250.04	200.00	400.00	-	(882.40)	3324.46	3292.10
Profit for the Year	-	-	-	-	927.22	-	927.22
Other comprehensive income (Remeasurement of gain or loss on defined benefit plan)	-	-	-	-	-	6.26	6.26
Total comprehensive income	-	-	-	-	927.22	6.26	933.48
Transfer to Retained Earnings	-	-	-	-	-	-	-
Transfer to Capital Redemption Reserve	-	-	200.00	-	(200.00)	-	-
Transfer to Bond Redemption Reserve	-	50.00	-	-	(50.00)	-	-
Dividend	-	-	-	-	(312.71)	-	(312.71)
Dividend distribution tax (DDT)	-	-	-	-	(64.87)	-	(64.87)
At 31 March 2018	250.04	250.00	600.00	-	(582.75)	3330.71	3848.00

₹ in Crore

	Reserve and Surplus						Total
	Securities Premium	Bond Redemption Reserve	Capital Redemption reserve	Capital reserve	Retained earnings	General reserve	
As at 1 April 2018	250.04	250.00	600.00	-	(582.75)	3330.71	3848.00
Profit for the Year	-	-	-	-	(205.35)	-	(205.35)
Other comprehensive income (Remeasurement of gain or loss on defined benefit plan)	-	-	-	-	-	(1.78)	(1.78)
Total comprehensive income	-	-	-	-	(205.35)	(1.78)	(207.13)
Transfer to Retained Earnings	-	-	-	-	-	-	-
Transfer to Capital Redemption Reserve	-	-	-	-	-	-	-
Transfer from Equity Share Capital (Cancelled Shares)	-	-	-	0.09	-	-	0.09
Transfer from Bond Redemption Reserve	-	(250.00)	-	-	-	250.00	-
Dividend	-	-	-	-	(275.49)	-	(275.49)
Dividend distribution tax (DDT)	-	-	-	-	(57.84)	-	(57.84)
At 31 March 2019	250.04	-	600.00	0.09	(1121.43)	3578.93	3307.63

(S N Pandey)
Managing Director
DIN - 08062182

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P.Shankar)
Company Secretary
ACS -7624

As per our attached Report of even date

For PADMANABHAN RAMANI & RAMANUJAM
Chartered Accountants
(FRN: 0025105)

P. Ranga Ramanujam
Partner
Membership No. 022201

Place : Chennai
Date : 08-May-2019

For S. VISWANATHAN LLP
Chartered Accountants
(FRN: 0047705 / S200025)

V.C. Krishnan
Partner
Membership No. 022167

Consolidated Statement of Cash Flows

For the year ended 31st March 2019

₹ in Crore

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
A Cash Flow from Operating Activities		
1 Profit Before Tax	(290.01)	1,472.53
2 Adjustments for :		
Depreciation of property, plant and equipment	450.92	338.79
Impairment of Property, Plant and Equipment / CWIP	0.93	4.33
Unclaimed / Unspent liabilities written back	(5.24)	(2.33)
Loss/(gain) on disposal of property, plant and equipments (net)	15.61	2.06
Amortisation and impairment of intangible assets	1.61	1.41
Amortisation of Government Grants	(4.96)	(33.88)
Net Exchange Differences	6.54	1.63
Provision for Capital work-in-progress written back	(9.18)	-
Provision for Doubtful Debts, Advances and Claims	1.55	0.68
Remeasurement of Defined Benefit Plans thru OCI	(2.74)	9.62
Provision for Stores (net)	2.51	4.65
Finance income	(29.20)	(15.52)
Finance costs	419.76	320.86
Share of Joint Ventures	(13.96)	(19.54)
3 Operating Profit before Working Capital Changes (1+2)	544.14	2085.29
4 Change in Working Capital:		
(Excluding Cash & Cash equivalents)		
Trade Receivables & Other receivables	(100.31)	(429.91)
Inventories	(100.81)	(1556.73)
Trade and Other Payables	(427.72)	2986.94
Provisions	(25.13)	47.18
Change in Working Capital	(653.97)	1047.48
5 Cash Generated From Operations (3+4)	(109.83)	3132.77
6 Less : Taxes paid	(33.88)	(376.10)
7 Net Cash Flow from Operating Activities (5-6)	(143.71)	2756.67
B Cash Flow from Investing Activities:		
Proceeds from sale of Property, plant and equipment / Transfer of Assets	0.09	0.22
Purchase of Property, plant and equipment	(1308.48)	(990.85)
Interest received (Finance Income)	29.20	15.52
Dividend Income	5.92	5.92
Net Cash Generated/(Used) in Investing Activities:	(1273.27)	(969.19)
C Net Cash Flow From Financing Activities:		
Proceeds from Long-Term Borrowings	909.16	-
Repayments of Long-Term Borrowings (Including finance lease)	(1500.00)	(3.34)
Proceeds from/(Repayments of) Short-Term Borrowings	2809.92	(1110.45)
Interest paid	(468.64)	(297.54)
Dividends paid	(275.49)	(312.71)
Dividend distribution tax paid	(57.84)	(63.66)
Net Cash Generated/(Used) from Financing Activities:	1417.11	(1787.70)
D Net Change in Cash & cash equivalents (A+B+C)	0.13	(0.22)
E - 1 Cash & cash equivalents as at end of the year	0.17	0.04
E - 2 Cash & cash equivalents as at beginning of the year	0.04	0.26
NET CHANGE IN CASH & CASH EQUIVALENTS (E 1 - E 2)	0.13	(0.22)



Chennai Petroleum Corporation Limited

Notes :

1. Cash Flow Statement is prepared using Indirect method as per Indian Accounting Standard -7 Cash Flow Statement.
2. Figures for previous year have been regrouped wherever necessary for uniformity in presentation.

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

Financial Liabilities	As at 31.03.2017	Cash Flow	Non-cash Changes		₹ in Crore
			Interest Accrued but not due	Foreign exchange movement	As at
					31.03.2018
Long Term Borrowings (Including Other Current Financial Liability)	2426.38	(102.10)	102.33	1.63	2428.24
Short Term Borrowings	3173.44	(1110.45)	-	-	2062.99
Finance Lease Liabilities	3.34	(3.34)	-	-	-

Financial Liabilities	As at 31.03.2018	Cash Flow	Non-cash Changes		₹ in Crore
			Interest Accrued but not due	Foreign exchange movement	As at
					31.03.2019
Long Term Borrowings (Including Other Current Financial Liability)	2428.24	(693.17)	52.39	6.54	1794.00
Short Term Borrowings	2062.99	2809.92	1.06	-	4873.97

(S N Pandey)
Managing Director
DIN - 08062182

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P.Shankar)
Company Secretary
ACS -7624

As per our attached Report of even date

For PADMANABHAN RAMANI & RAMANUJAM
Chartered Accountants
(FRN: 002510S)

For S. VISWANATHAN LLP
Chartered Accountants
(FRN: 004770S / S200025)

P. Ranga Ramanujam
Partner
Membership No. 022201

V.C. Krishnan
Partner
Membership No. 022167

Place : Chennai
Date : 08-May-2019

Note-1A Corporate Information and Significant Accounting Policies

A. Corporate Information

The consolidated financial statements of "Chennai Petroleum Corporation Limited" ("Company" or "CPCL") are for the year ended 31st March, 2019.

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 herein after 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 8th May, 2019.

B. Significant Accounting Policies

1 BASIS OF PREPARATION / CONSOLIDATION

- 1.1. The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules as amended from time to time and comply in all material aspects with the relevant provisions of the Act.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments, and
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

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 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.

2.1.2. PPE are stated at acquisition cost less accumulated depreciation / amortization and cumulative impairment except freehold land which is stated at historical cost.

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 spare parts during more than a period of 12 months.

2.1.5. The acquisition of PPE, directly increasing the future economic benefits of any particular existing item of property, plant and equipment, which are necessary for the Group to obtain the future economic benefits from its other assets, 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 property, plant and equipment recognised as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the capital work in progress and property, plant and equipment.

2.2 Capital work in progress (CWIP)

A. Construction Period Expenses on Projects:

2.2.1 Revenue expenses exclusively attributable to projects incurred during construction period are capitalized.

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 is capitalised.

- 2.3.4. Right of ways with Indefinite useful lives are not amortised, but are 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.
- 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 intangible assets.

2.4. Depreciation / Amortisation

- 2.4.1. Cost of PPE (net of residual value) excluding freehold land is depreciated on a straight-line basis over the useful life of the assets prescribed in Schedule II to the Companies Act, 2013 except in case of the following assets;
- Useful life of 25 years for solar power plant considered based on technical assessment
 - In case of specific agreements e.g. enabling assets etc., useful life as per agreement or Schedule II, whichever is lower

- 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
- In case of spare parts, 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 assets that are significant in value and have different useful life as compared to the main assets separately. The Group depreciates capitalized 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 property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3 LEASES

- 3.1. A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

3.2. Operating Leases as a lessee:

Lease rentals are recognized as expense on a straight line basis with reference to lease terms and other considerations except where-

- Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken on lease; or
- The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases

Contingent rentals are recognised as expenses in the periods in which they are incurred.



3.3. Operating Leases as a lessor:

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except where-

- (i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset given on lease; or
- (ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

3.4. Finance leases as lessee:

- (i) Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.
- (ii) A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

3.5. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1st April, 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

4 IMPAIRMENT OF NON-FINANCIAL ASSETS

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 costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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, 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 and construction of the qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the statement of Profit and Loss in the period in which they are incurred.

6 FOREIGN CURRENCY TRANSACTIONS

- 6.1. The Group's financial statements are presented in Indian Rupee (₹), which is also its 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 as at the end of reporting period.
- 6.4. Non-monetary items denominated in foreign currency,(such as investments, fixed assets etc.) are valued 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 is 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 material cost plus fifty percent conversion costs as applicable or net realizable value, whichever is lower.

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, 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 recovery, 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, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

8.2. Contingent Liabilities and Contingent Assets

- 8.2.1. Show-cause Notices issued by various Government Authorities are 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. A contingent asset is disclosed where an inflow of economic benefits is probable.
- 8.2.4. 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;
 - b) all other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

8.3. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account are considered for disclosure.



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. 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.

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. Interest income from financial assets is recognised using effective interest rate (EIR) method.

9.5. Dividend income is recognized when the Group's right to receive dividend is established.

9.6. 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.

9.7. 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 on applicable products 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 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 to allow all or part of the deferred tax asset 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 asset 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 Employee 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 trust established for this purpose based on a fixed percentage of the eligible employee's salary and charged to 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 Statement of Profit and Loss / CWIP.
- b) The defined benefit plan operated 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. Compensated Absences 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.

- 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 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 they 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 costs 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 costs

Net interest is calculated by applying the discount rate to the net 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 costs comprising current service costs, past-service costs, 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 Capital Grants which are recognized as income in the Statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

13.3. Grant Relating to Income (Revenue Grants)

Revenue grants are recognised where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. 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 costs for which the grants are intended to compensate.

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.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

- 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 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

The Group classifies all other liabilities 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.

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 costs that are attributable to the acquisition of the financial asset.

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 P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 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 at FVTOCI

A. Equity investments (Other than subsidiaries, JVs and associates)

All equity investments in scope of Ind AS 109 are measured at fair value. The Group has made an irrevocable election to present subsequent changes in the fair value in other comprehensive income, excluding dividends. The classification is made on initial recognition / transition and is irrevocable.

There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment.

B. Equity investments in JVs and associates

Investment in joint ventures and associates are accounted for at cost in standalone financial statements.

15.1.4. Debt Instruments and derivatives at FVTPL

FVTPL is a residual category for debt instrument. 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 balances;
- b. Financial guarantee contracts which are not measured as at FVTPL
- c. Lease receivables under Ind AS 17

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-month 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-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month 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, if any.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the statement of profit and loss (P&L). 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.

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 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 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 expired. 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, if any, 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 they actually have been highly effective throughout the financial reporting periods for which they were 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 Hedging 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 derivative 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 Profit and Loss and are included in the Other Income or Other Expenses as Gain on derivate or Loss on Derivatives respectively.

15.6. Commodity contracts

Commodity contracts, if any, those 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 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.

20 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The ministry of Corporate affairs vide notification dated 30th March, 2019 has notified Ind AS-116 Leases and certain amendments to existing Ind AS. These amendments are applicable from 1st April, 2019 to the Group. The Group's assessment of the impact of these new standards and amendments is set out below.

Ind AS- 116 Leases

Ind AS 116 replaces Ind AS 17 Leases. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less).

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases. Ind AS 116,

which is effective for annual periods beginning on or after 1st April, 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

Under Ind AS-17, operating lease rentals are recognized as expense on a straight line basis with reference to lease terms except where- (i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken on lease; or (ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Under Ind AS 116, the relaxation when increase is due to general price inflation is not included. This means that operating lease rentals of those lease which are not considered for balance sheet accounting (short term lease and low value leases) will be straightlined.

Transition to Ind AS 116

The Group plans to adopt Ind AS 116 retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application i.e. 01.04.2019. The Group will not restate comparative amounts for the year prior to first adoption. The Group plans to elect for the following practical expedients:

1. Not applying the standard to contracts that were not previously identified as containing a lease applying Ind AS 17 and
2. Not applying the standard to lease contracts for which the lease terms ends within 12 months as of the date of initial application.

There would be no material impact of Ind AS 116 adoption as:

Most of the operating leases entered into by the Group are cancellable in nature and are of short term in nature.

The Group's activities as a lessor are not material and hence the Group does not expect any significant impact on the financial statements. However, some additional disclosures will be required from next year.

Other amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.



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.,. Provision in respect of liabilities incurred on Revenue and Capital account are reckoned based on estimates and these estimates and underlying assumptions are reviewed on ongoing basis

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 42.1 on impairment recognized during the year.

Note – 2 : PROPERTY, PLANT AND EQUIPMENT
Current Year:

₹ in Crore

	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	Total
	Note: A			Note: B				Note: C		Note: B
GROSS BLOCK										
Gross Block as at 1 st April 2018	44.31	5.92	182.79	6528.73	22.21	10.81	13.64	-	20.30	6828.71
Additions during the Year (Note: E)	0.64	-	0.01	1511.99	7.07	1.69	1.32	-	-	1522.72
Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-	(7.22)	4.71	0.30	(7.73)	-	-	(9.94)
Gross Block as at 31st March 2019	44.95	5.92	182.80	8033.50	33.99	12.80	7.23	-	20.30	8341.49
DEPRECIATION, AMORTISATION AND IMPAIRMENT										
Depreciation and Amortisation as at 1 st April 2018	-	0.21	20.11	832.37	11.16	1.68	5.37	-	3.24	874.14
Depreciation and Amortisation during the Year:	-	0.07	5.94	435.34	6.67	0.98	0.90	-	1.02	450.92
Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-	(1.05)	0.93	-	(3.31)	-	-	(3.43)
Total Depreciation and Amortisation upto 31st March 2019	-	0.28	26.05	1266.66	18.76	2.66	2.96	-	4.26	1321.63
Total Impairment Loss as at 1 st April 2018	-	-	14.76	50.88	-	-	-	-	0.19	65.83
Impairment Loss during the Year (Note: D)	-	-	0.01	(0.26)	-	-	-	-	-	(0.25)
Impairment loss reversed during the Year	-	-	-	-	-	-	-	-	-	-
Total Impairment Loss upto 31st March 2019	-	-	14.77	50.62	-	-	-	-	0.19	65.58
NET BLOCK										
AS AT 31st March 2019	44.95	5.64	141.98	6716.22	15.23	10.14	4.27	-	15.85	6954.28
AS AT 31 st March 2018	44.31	5.71	147.92	5645.48	11.05	9.13	8.27	-	16.87	5888.74



Chennai Petroleum Corporation Limited

Previous Year:

₹ in Crore

	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	Total
GROSS BLOCK										
Gross Block as at 1 st April 2017	40.05	5.92	137.22	4218.97	17.08	9.56	8.85	-	18.73	4456.38
Additions during the Year (Note : E)	4.26	-	45.62	2311.71	5.56	1.39	5.27	-	1.57	2375.38
Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	(0.05)	(1.95)	(0.43)	(0.14)	(0.48)	-	-	(3.05)
Gross Block as at 31st March 2018	44.31	5.92	182.79	6528.73	22.21	10.81	13.64	-	20.30	6828.71
DEPRECIATION, AMORTISATION AND IMPAIRMENT										
Depreciation and Amortisation as at 1 st April 2017	-	0.14	14.39	507.99	6.89	0.93	3.54	-	2.25	536.13
Depreciation and Amortisation during the Year:	-	0.07	5.72	324.73	4.50	0.76	2.01	-	0.99	338.78
Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-	(0.35)	(0.23)	(0.01)	(0.18)	-	-	(0.77)
Total Depreciation and Amortisation upto 31st March 2018	-	0.21	20.11	832.37	11.16	1.68	5.37	-	3.24	874.14
Total Impairment Loss as at 1 st April 2017	-	-	14.69	27.53	-	-	-	-	0.19	42.41
Impairment Loss during the Year (Note: D)	-	-	0.07	23.35	-	-	-	-	-	23.42
Impairment loss reversed during the Year	-	-	-	-	-	-	-	-	-	-
Total Impairment Loss upto 31st March 2018	-	-	14.76	50.88	-	-	-	-	0.19	65.83
NET BLOCK										
AS AT 31st March 2018	44.31	5.71	147.92	5645.48	11.05	9.13	8.27	-	16.87	5888.74
AS AT 31 st March 2017	40.05	5.78	108.14	3683.45	10.18	8.63	5.31	-	16.29	3877.83

- A. Gross block of Land includes ₹ 0.18 Crore deposited towards 50.93 acres of Land for which assignment deed is yet to be received from Govt. of TamilNadu.
- B. The cost of assets includes EPCG benefit (net of CENVAT), net of VAT CREDIT/CENVAT/GST ITC wherever applicable
- C. Represents 5/24 share of total cost of the Railway Siding jointly owned by the Company along with Madras Fertilizers Limited, Madras Petrochem Limited, Steel Authority of India Limited and Rashtriya Ispat Nigam Limited. Net block of Railway Sidings - ₹ 0.003 Crore (2018 : ₹ 0.003 Crore)
- D. Impairment loss pertains to Cauvery Basin Refinery (refer Note 42.1)
- E. Additions to Gross Block Includes:

₹ in Crore

Asset Particulars	Borrowing Cost	
	31-Mar-19	31-Mar-18
Buildings	-	5.08
Plant and Equipment	97.06	176.82
Total	97.06	181.90

Note – 2.1 : CAPITAL WORK-IN-PROGRESS

				₹ in Crore	
SI.No	Particulars	Note	As at 31-Mar-19	As at 31-Mar-18	
1	Construction Work in Progress - Fixed Assets				
	(Including unallocated capital expenditure, materials at site)				
	Balance as at beginning of the year		1414.47		2766.75
	Add: Additions during the year		1202.11		961.49
	Less: Allocated/ Capitalised during the year		1511.99		2313.77
			1104.59		1414.47
	Less: Provision for Capital Losses		3.90		13.08
	Less: Impairment Loss	A	1.18		-
			1099.51		1401.39
2	Capital stores balance as at beginning of the year		11.26		25.03
	Add: Additions during the year		107.61		294.22
	Less: Allocated during the year		93.88		307.99
			24.99		11.26
	Less: Provision for Capital Losses		3.01		3.01
	Capital stores		21.98		8.25
3	Capital Goods in Transit		-		0.16
4	Construction Period Expenses pending allocation:				
	Net expenditure during the year (Note -"2.2")		72.94		119.24
	Less: Allocated during the year		72.94		119.24
	Sub Total		72.94		119.24
	TOTAL	B	1121.49		1409.80

A Impairment loss pertains to Cauvery Basin Refinery (refer Note 42.1)

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

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

			₹ in Crore	
Particulars			31-Mar-19	31-Mar-18
1	Employee Benefit expenses		27.84	18.04
2	Power & Fuel		2.32	22.75
3	Finance Cost		41.55	77.45
4	Travelling Expenses and Others		1.23	1.00
	Net Expenditure during the year		72.94	119.24
	Effective weighted average interest rate of borrowings eligible for capitalisation (Rate in %)		8.58	7.92



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 1 st April 2018	0.91	26.86	27.77
	Additions during the Year	-	(0.15)	(0.15)
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Gross Block as at 31st March 2019	0.91	26.71	27.62
AMORTISATION AND IMPAIRMENT	Amortisation as at 1 st April 2018	0.69	2.28	2.97
	Amortisation during the Year	0.12	1.49	1.61
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Total and Amortisation upto 31st March 2019	0.81	3.77	4.58
	Total Impairment Loss as at 1 st April 2018	0.01	-	0.01
	Impairment Loss during the Year (A)	-	-	-
	Impairment loss reversed during the Year	-	-	-
Total Impairment Loss upto 31st March 2019	0.01	-	0.01	
NET BLOCK	AS AT 31st March 2019	0.09	22.94	23.03
	AS AT 31 st March 2018	0.21	24.58	24.79

Previous Year:

₹ in Crore

	Particulars	Computer Software	Technical Know-How, Royalty and Licenses	Total
GROSS BLOCK	Gross Block as at 1 st April 2017	0.81	5.76	6.57
	Additions during the Year	0.10	21.10	21.20
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Gross Block as at 31st March 2018	0.91	26.86	27.77
AMORTISATION AND IMPAIRMENT	Amortisation as at 1 st April 2017	0.56	0.99	1.55
	Amortisation during the Year	0.13	1.29	1.42
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Total and Amortisation upto 31st March 2018	0.69	2.28	2.97
	Total Impairment Loss as at 1 st April 2017	0.01	-	0.01
	Impairment Loss during the Year (A)	-	-	-
	Impairment loss reversed during the Year	-	-	-
Total Impairment Loss upto 31st March 2018	0.01	-	0.01	
NET BLOCK	AS AT 31st March 2018	0.21	24.58	24.79
	AS AT 31 st March 2017	0.23	4.77	5.00

(2) Intangible assets with indefinite useful life

Current year:

		₹ in Crore
	Particulars	Right of Way
GROSS BLOCK	Gross Block as at 1 st April 2018	0.27
	Additions during the Year	-
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-
	Gross Block as at 31st March 2019	0.27
AMORTISATION AND IMPAIRMENT	Total Impairment Loss as at 1 st April 2018	0.27
	Impairment Loss during the Year (A)	-
	Impairment loss reversed during the Year	-
	Total Impairment Loss upto 31st March 2019	0.27
NET BLOCK	AS AT 31st March 2019	-
	AS AT 31 st March 2018	-

Previous year:

		₹ in Crore
	Particulars	Right of Way
GROSS BLOCK	Gross Block as at 1 st April 2017	0.27
	Additions during the Year	-
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-
	Gross Block as at 31st March 2018	0.27
AMORTISATION AND IMPAIRMENT	Total Impairment Loss as at 1 st April 2017	0.27
	Impairment Loss during the Year	-
	Impairment loss reversed during the Year	-
	Total Impairment Loss upto 31st March 2018	0.27
NET BLOCK	AS AT 31st March 2018	-
	AS AT 31 st March 2017	-

Note: Impairment loss pertains to Cauvery Basin Refinery (refer Note 42.1)



Note – 3.1 : INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	₹ in Crore	
	As at 31-Mar-19	As at 31-Mar-18
Work in Progress - Intangible Asset:		
Balance as at beginning of the year	-	5.97
Add: Net expenditure during the year	77.99	15.13
	77.99	21.10
Less: Allocated during the year	-	21.10
TOTAL	77.99	-

Note : Pertains to Property, Plant and Equipment under construction (Refer Note 42.2)

Note – 4 : INVESTMENT IN JOINT VENTURES

Sl. No	Particulars	No. and Particulars	Face Value per share (₹)	₹ in Crore	
				As at 31-Mar-19	As at 31-Mar-18
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				
	Add: Share of Other Equity (inclusive of OCI)			147.15	140.61
	ii) National Aromatics and Petrochemical Corporation Limited	25000	10	0.03	0.03
	Equity Shares fully paid				
	Less: Provision for Diminution			0.03	0.03
				-	-
	TOTAL			158.98	152.44
	Aggregate value of unquoted investments			159.01	152.47
	Aggregate amount of provision for value of investments			0.03	0.03

Note – 4.1 : INVESTMENTS

Sl. No	Particulars	No. and Particulars	Face Value per share (₹)	Non-current	
				As at 31-Mar-19	As at 31-Mar-18
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	10	0.01	0.01
	fully paid				
	TOTAL		A	0.11	0.11
	Aggregate value of unquoted investments			0.11	0.11
	Aggregate amount of impairment in value of investments			-	-
A	Fair Value approximates carrying value				

Note – 5 : LOANS

₹ in Crore

Sl. No	Particulars	Note	Non-current as at		Current as at	
			31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
1	Security Deposits					
	To Related Parties					
	i) Unsecured, Considered Good		-	-	-	-
	To Others					
	i) Unsecured, Considered Good		1.12	0.93	11.22	9.55
2	Loans Receivables:					
	To Related Parties					
	i) Considered Good -Secured	A.1	0.03	0.03	0.01	0.01
	ii) Considered Good -Unsecured	A.2	0.06	-	0.02	0.02
			0.09	0.03	0.03	0.03
	To Others					
	i) Considered Good -Secured		29.53	21.32	5.84	5.65
	ii) Considered Good -Unsecured		14.47	12.58	5.69	8.24
			44.00	33.90	11.53	13.89
	Sub Total		44.09	33.93	11.56	13.92
	TOTAL		45.21	34.86	22.78	23.47
	NOTES:					
	A.1 Includes:					
1	Due from Directors		0.01	0.01	-	-
2	Due from Officers		0.02	0.02	0.01	0.01
	A.2 Includes:					
1	Due from Directors		-	-	-	0.02
2	Due from Officers		0.06	-	0.02	-

In compliance of Regulation 34(3) of SEBI(LODR) Regulations 2015, the required information is given as under:

₹ in Crore

	Amount as on		Maximum Amount outstanding during the year ended	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
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	Non-Current as at		Current as at	
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
1	Deposit for Leave Encashment Fund	76.63	47.80	-	-
2	Interest Accrued on Investments/ Bank Deposits/ Loans	-	-	0.05	0.04
3	Claims Recoverable :				
	a) From Related Parties				
	i) Unsecured, Considered Good	-	-	-	0.01
	ii) Unsecured, Considered Doubtful	-	-	22.61	21.59
	Sub Total			22.61	21.60
	b) Others				
	i) Unsecured, Considered Good	-	-	15.32	24.51
	ii) Unsecured, Considered Doubtful	-	-	7.03	6.50
		-	-	22.35	31.01
	Less : Provision for Doubtful Claims	-	-	29.64	28.09
	Sub Total	-	-	15.32	24.52
4	Other Financial Assets	-	-	5.33	1.49
	TOTAL	76.63	47.80	20.70	26.05

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

₹ in Crore

Particulars	Non - Current as at		Current as at	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Tax Asset/ (Liability) - Net				
Advance payments for Current Tax	700.11	666.23	-	-
Less: Provision for Current Tax	654.63	654.63	-	-
Tax Asset/ (Liability) - Net	45.48	11.60	-	-
TOTAL	45.48	11.60	-	-

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

	31-Mar-19	31-Mar-18
Accounting profit		
Tax at the applicable tax rate of 34.94% (31.3.2018: 34.94%)	34.94%	34.94%
Tax effect of income that are not taxable in determining taxable profit:	1.41%	(0.16%)
Tax effect on share of results of joint venture:	0.96%	(0.46%)
Tax effect of expenses that are not deductible in determining taxable profit:	(8.12%)	3.28%
Tax expense /income related to prior years :	-	3.17%
Tax effect on recognition of previously unrecognised allowances / disallowances :	-	(3.96%)
Tax effect due to Change in applicable Tax rates :	-	0.22%
Tax expense	29.19%	37.03%

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

Particulars	As at	Provided	Provided	As at	Provided	Provided	As at
	31-Mar-17	during	during	31-Mar-18	during	during	31-Mar-19
		the Year	the Year		the Year	the Year	
		2017-18	2017-18		2018-19	2018-19	
							As at
							31-Mar-19
Deferred tax liability:							
Related to Fixed Assets (Depreciation)	770.38	118.64	-	889.02	154.49	-	1043.51
Retirement benefits to employees	0.10	(0.10)	-	-	-	-	-
Total deferred tax liability (A)	770.48	118.54	-	889.02	154.49	-	1043.51
Deferred tax assets:							
Carry forward Business Loss/Unabsorbed Depreciation	368.37	(368.37)	-	-	291.56	-	291.56
Provision on Inventories, Trade Receivables, Loans and advances, CWIP, Investments etc.	24.89	0.33	-	25.22	1.41	-	26.63
43B Disallowances, Bonus, Gratuity etc.	44.94	15.96	(3.29)	57.61	(53.82)	0.80	4.59
MAT Credit Entitlement	308.03	291.96	-	599.99	-	-	599.99
Total deferred tax assets (B)	746.23	(60.12)	(3.29)	682.82	239.15	0.80	922.77
Deferred Tax Liability (Net) (A - B)	24.25	178.66	3.29	206.20	(84.66)	(0.80)	120.74

Note – 8 : OTHER ASSETS

₹ in Crore

Sl. No	Particulars	Non-Current as at		Current as at	
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
1	Advance for Capital Expenditure				
	a) To Related Parties				
	i) Unsecured, Considered Good	0.79	13.67	-	-
	b) To Others				
	i) Unsecured, Considered Good	20.76	15.31	-	-
2	Advances				
	a) To Others				
	i) Unsecured, Considered Good	-	-	29.22	13.89
3	Claims Recoverable :				
	From Custom, Excise, Sales tax, Income Tax dept & Others				
	i) Unsecured, Considered Good	-	-	248.42	254.30
4	GST, Cenvat, VAT, service tax recoverable	-	-	32.24	21.88
5	Balance with Customs, Port Trust and Excise Authorities:				
	i) Unsecured, Considered Good	-	-	3.24	8.15
6	Gold / Other Precious Metals	-	-	10.06	11.07
	Less : Provision for Diminution	-	-	0.03	0.05
		-	-	10.03	11.02
7	Deferred Expenses	24.46	19.02	2.42	2.25
	TOTAL	46.01	48.00	325.57	311.49



Note – 9 : INVENTORIES

		₹ in Crore	
Sl. No	Particulars	As at 31-Mar-19	As at 31-Mar-18
1	In Hand :		
a.	Stores, Spares etc.	268.79	243.21
	Less : Provision for Losses	35.47	32.96
		233.32	210.25
b.	Raw Materials	1370.33	1494.83
c.	Finished Products	1700.20	1442.24
d.	Stock in Process	633.26	481.33
		3937.11	3628.65
2	In Transit :		
a.	Stores & Spares etc.	3.62	10.14
b.	Raw Materials	906.23	1109.87
		909.85	1120.01
	TOTAL	4846.96	4748.66
	Impact of Valuation of closing inventories carried at net realisable value recognised in Statement of Profit & loss	33.43	2.55

Note – 10 : TRADE RECEIVABLES

		₹ in Crore	
Particulars	Note	As at 31-Mar-19	As at 31-Mar-18
a) From Related Parties			
i) Considered Good - Unsecured	(i)	1363.46	1310.40
b) From Others			
i) Considered Good - Secured	(ii)	99.65	100.00
ii) Considered Good -Unsecured		160.63	159.09
		1623.74	1569.49
	TOTAL	1623.74	1569.49

(i) Includes receivables from Indian Oil Corporation Ltd., the holding company ₹ 1360 Crore (2018: ₹1308.80 Crore) and receivables from Indian Additives Limited, Joint Venture Company ₹ 3.46 Crore (2018: ₹ 1.60 Crore).

(ii) Represents dues for which mortgage and first charge on Fixed asset is in favour of the company to the extent of ₹ 100 Crore (2018: ₹ 100 Crore)

Note – 11 : CASH AND CASH EQUIVALENTS

₹ in Crore

Sl. No	Particulars		As at 31-Mar-19	As at 31-Mar-18
1	Bank Balances with Scheduled Banks :			
	a) Current Account		0.17	0.04
	TOTAL		0.17	0.04

Note – 12 : OTHER BANK BALANCES

₹ in Crore

	Particulars	Note	As at 31-Mar-19	As at 31-Mar-18
1	Balances with bank held as other commitments		5.67	5.36
2	Earmarked Balances	A	3.93	3.30
	TOTAL		9.60	8.66

NOTES:

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

Note – 13 : EQUITY SHARE CAPITAL

₹ in Crore

Particulars	Note	As at 31-Mar-19	As at 31-Mar-18
Authorized:			
Equity:			
40,00,00,000 (2018: 40,00,00,000) Equity Shares of ₹ 10 each		400.00	400.00
Preference:			
100,00,00,000 (2018:100,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each		1000.00	1000.00
		1400.00	1400.00
Issued :			
Equity:			
14,89,11,400 (2018: 17,00,00,000) Equity Shares of ₹ 10 each	(i)	148.91	170.00
Preference:			
50,00,00,000 (2018 : 100,00,00,000;) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each	(ii)	500.00	1000.00
		648.91	1170.00
Subscribed, Called-up and Paid-up :			
14,89,11,400 (2018: 14,89,11,400) Equity shares of ₹10 each	(i)	148.91	148.91
Add: Forfeited Shares (amount originally paid up)		-	0.09
Total Paid up Equity share Capital		148.91	149.00
TOTAL		148.91	149.00



(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 classified as financial liability (long term borrowing) as per Ind AS 32 - Refer note - 15(II) (D) and note (i) to (vi) thereon

Note - 13 : EQUITY SHARE CAPITAL

A. Reconciliation of No. of Shares

	As at 31-Mar-19		As at 31-Mar-18	
	Equity Shares	Preference Shares	Equity Shares	Preference Shares
Opening Balance	148,911,400	1,000,000,000	148,911,400	1,000,000,000
Shares Issued	-	-	-	-
Shares bought back / Redeemed	-	500,000,000	-	-
Closing Balance	148,911,400	500,000,000	148,911,400	1,000,000,000

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	
	As at 31-Mar-19	As at 31-Mar-18
7,72,65,200 Equity Shares of ₹10 each (51.89%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.	77.27	77.27

D. Details of shareholders holdings more than 5% shares

Equity Shares

Name of Shareholder	As at 31-Mar-19		As at 31-Mar-18	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
Indian Oil Corporation Limited	77265200	51.89	77265200	51.89
Naftiran Intertrade Company Limited	22932900	15.40	22932900	15.40
Aditya Birla Sunlife Trustee Private Limited	7544646	5.07	-	-

Note – 14 : OTHER EQUITY

			₹ in Crore	
Sl. No	Particulars	Note	As at 31-Mar-19	As at 31-Mar-18
1	Retained Earnings			
a)	General Reserve :			
	As per last Account		3330.71	3324.45
	Add: Remeasurement of Defined Benefit Plans		(1.78)	6.26
	Add : Transfer from Bond Redemption Reserve		250.00	-
			3578.93	3330.71
b)	Surplus (Balance in Statement of Profit and Loss):			
	Balance Brought Forward from Last Year's Account		(582.75)	(882.39)
	Add: Profit / (Loss) for the Year		(205.35)	927.22
	Less: APPROPRIATIONS:			
	Final Dividend		275.49	312.71
	Bond Redemption Account		-	50.00
	Capital Redemption Account		-	200.00
	Dividend Distribution Tax on Final Dividend		57.84	64.87
	Balance carried forward to next year's account		(1121.43)	(582.75)
			2457.50	2747.96
2	Other Reserves			
a)	Bond Redemption Reserve Account :	A		
	As per last Account		250.00	200.00
	Add: Transferred (to General Reserve)/ from Profit & Loss Account		(250.00)	50.00
			-	250.00
b)	Capital Redemption Reserve :	B		
	As per last Account		600.00	400.00
	Add: Transferred from Profit and Loss Account		-	200.00
			600.00	600.00
c)	Securities Premium:	C		
	As per last Account		250.04	250.04
d)	Capital Reserve			
	As per last Account		-	-
	Add: Transferred from Equity Share Capital (Forfeited Shares (amount originally paid up) cancelled during the year)		0.09	-
			0.09	-
	TOTAL		3307.63	3848.00

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:

- Bond Redemption Reserve Account : To be utilised for redemption of bond and transferred to general reserve on actual redemption (During the year Non Convertible Debenture of ₹ 1000 Crore redeemed).
- Capital Redemption Reserve Account : To be utilised for redemption of Preference Shares (During the year Non Convertible Redeemable preference Share of ₹ 500 Crore redeemed).
- 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 as at		Current Maturities as at	
			31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
I. SECURED LOANS						
1 Bonds:						
	10000 Nos. of 9.65% Secured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - II		-	-	-	1021.42
	Total (Bonds)		-	-	-	1021.42
2 Term Loans:						
	From banks					
	i) INR Loan	A	500.00		3.57	-
	ii) Foreign Currency Loans US \$ 50 Million (2018: Nil)	B	346.18		-	
	Total (Loans from Banks)		846.18		3.57	
	From other parties					
	i) Loans from OIDB	A	50.00	-	-	-
	Total (Term Loans)		896.18	-	3.57	-
	Total Secured Loans		896.18	-	3.57	1021.42
II. UNSECURED LOANS						
1 Term Loans:						
	i) From Banks/Financial Institutions:					
	In Foreign Currency	C	-	325.90	346.92	0.87
	US \$ 50 Million (2018: US \$ 50 Million)					
	Total (Term Loans)		-	325.90	346.92	0.87
2 Loans from related parties:		D				
	50,00,00,000 (2018:100,00,00,000) Non Convertible Cumulative Redeemable Preference Shares of ₹ 10 each		547.33	500.00	-	580.04
	Total Unsecured Loans		547.33	825.90	346.92	580.91
	TOTAL LONG-TERM BORROWINGS		1443.51	825.90	350.49	1602.33

A. Secured Rupee Term Loans:

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Redemption	Security Details
1	Term Loan from State Bank of India	07-01-2019	6 Months MCLR, reset at half yearly intervals	Principal repayable at the end of 5 years from 07.01.2019 being 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.
2	Term Loan from Oil Industry Development Board	18-03-2019	7.72%	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

B. Secured Foreign Currency Term Loans:

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Redemption	Security Details
1	Foreign Currency Term Loan from South Indian Bank	13-12-2018	1) 6 Months LIBOR + 125 Bps for first 6 months, 2) 6 Months LIBOR + 175 Bps for next 30 months 3) Reset at half yearly intervals 4) Interest payable on monthly basis	Principal repayable at the end of 3 years from 13.12.2018 being date of availment	Pari passu first charge on entire fixed assets of the Company (excluding Land and building & assets pertaining to BS VI project and R-LNG 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 R-LNG project to be furnished.

Unsecured Loans:

C. Foreign Currency Loan

Sl. No.	Particulars	Date of Maturity	Repayable Amount	Interest Rate
1	Term Loan from State Bank of India	18-09-2019	US \$ 50 Million	3 months LIBOR + 125 bps (Interest reset on quarterly basis) - Interest payable on Monthly basis



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.

- Such shares shall confer on the holders thereof, the right to preferential dividend from the date of allotment i.e., 24.09.2015
 - 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.
 - 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.
 - 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.
 - 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 the total outstanding amount of ₹ 1000 crore was redeemed on 06.06.2018.

(iii) Preference Shares held by Holding Company

₹ in Crore

Particulars	As at 31-Mar-19	As at 31-Mar-18
50,00,00,000 (2018 : 100,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹10/- each (100%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.	500.00	1000.00

(iv) Details of Preference shareholders holdings more than 5% shares

Name of Preference Shareholder	As at 31-Mar-19		As at 31-Mar-18	
	Number of Preference shares held	Percentage of Holding	Number of Preference shares held	Percentage of Holding
Indian Oil Corporation Limited	500000000	100	1000000000	100

- 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.
- Refer Note -13 & 13A - Authorised and issued Preference Share capital and the reconciliation of no. of shares of preference shares

Note – 16 : OTHER FINANCIAL LIABILITIES

₹ in Crore

Sl. No	Particulars	Note	Non-current as at		current as at	
			31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
1	Current maturities of Long term debt		-	-	350.49	1602.33
2	Liability for Capital Expenditure	A	-	-	574.34	252.47
3	Liability to Trusts and Other Funds		-	-	5.32	8.60
4	Employee Liabilities for Expenses		-	-	97.38	148.20
5	Security Deposits		-	-	46.66	42.27
6	Liability for Dividend	B	-	-	3.93	3.30
7	Other Financial Liabilities		-	-	1.21	0.82
	TOTAL		-	-	1079.33	2057.99

A Includes dues Payable to IOT Infrastructure and Energy Limited ₹ 11.71 Crore (2018: ₹ 5.32 Crore)

B There are no amounts due for payment to the Investor Education and Protection Fund as at the year end.

Note – 17 : PROVISIONS

₹ in Crore

Sl. No	Particulars	Note	Non-current as at		Current as at	
			31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
1	Provision for Employee Benefits		254.68	232.62	25.11	76.73
2	Contingencies for probable obligations		-	-	86.14	86.14
	Less: Deposits		-	-	75.09	75.09
	Contingencies for probable obligations	A	-	-	11.05	11.05
	TOTAL		254.68	232.62	36.16	87.78

A In compliance of Ind AS – 37 on “Provisions, Contingent Liabilities and Contingent Assets”, the required information is as under :

	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year	Closing Balance
Sales Tax	11.05	-	-	-	11.05
Income Tax	75.09	-	-	-	75.09
TOTAL	86.14	-	-	-	86.14
Previous Year	11.05	75.09	-	-	86.14



Note – 18 : OTHER LIABILITIES

₹ in Crore

Sl. No	Particulars	Note	Non-current as at		Current as at	
			31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
1	Revenue Grants - EPCG				-	-
	Liability towards Government Grants	A	1.36	6.05		
2	Statutory Liabilities		-	-	362.28	371.47
3	Advances from Customers		-	-	32.65	14.34
	TOTAL		1.36	6.05	394.93	385.81

A 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 company recognised ₹ 4.96 Crore (2018: ₹ 33.88 Cores) in the statement of profit & loss account as amortisation of revenue grant. The company expects to meet the export obligations and therefore equivalent deferred grant has not been treated as liability.

Note – 19 : BORROWINGS - CURRENT

(At Amortised Cost)

₹ in Crore

Sl. No	Particulars	Note	As at 31-Mar-19	As at 31-Mar-18
I.	SECURED LOANS			
1	Loans Repayable on Demand			
	From Banks:			
	a) In Rupees			
	i) Cash Credit - SBI	A	833.02	2063.00
2	Other Loans			
	From Banks:			
	i) Export Promotion Credit - SBI		135.09	-
	ii) Commercial Paper - SBI		1648.89	-
	Sub-Total		1783.98	-
	Total Secured Loans		2617.00	2063.00
II.	UNSECURED LOANS			
1	Loans Repayable on Demand			
	i) From Banks/Financial Institutions:			
	In Rupees			
	i) Working Capital Demand Loan		2256.97	-
	Sub-Total		2256.97	-
	Total Unsecured Loans		2256.97	-
	TOTAL BORROWINGS - CURRENT		4873.97	2063.00

Notes:

A Secured against hypothecation of Trade receivables & Inventories to the extent of ₹ 4184 Crore with State Bank of India. (2018: ₹ 4184 Crore)

At 31 March 2019 the Company had available ₹ 1527.74 Crore (2018: ₹ 2104.26 Crore) of undrawn Credit facilities.

Note – 20 : TRADE PAYABLES

₹ in Crore

Particulars	Note	As at 31-Mar-19	As at 31-Mar-18
Dues to Micro and Small Enterprises	A	1.58	0.12
Dues to Related Parties	B	2973.57	4026.34
Dues to Others		762.36	417.19
TOTAL		3737.51	4443.65

A Details relating to micro, small and medium enterprises is as follows :

Particulars	As at 31-Mar-19	As at 31-Mar-18
(a) the principal amount	1.58	0.12
(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 ₹ 2973.57 Crore (2018: ₹ 4022.82 Crore) and IOT Infrastructure and Energy Services Limited - Nil (2018: ₹ 3.52 Crore)

Note – 21 : REVENUE FROM OPERATIONS

₹ in Crore

SI. No	Particulars	Note	For the year ended 31-Mar-19	For the year ended 31-Mar-18
1	Sale of Products and Crude (including Excise Duty)		52233.64	44149.98
	Less: Discounts		56.21	14.48
	Sales (Net of Discounts)	A	52177.43	44135.50
2	Other Operating Revenues (Note "21.1")		23.79	53.68
			52201.22	44189.18
	TOTAL	B	52201.22	44189.18



Note :

A (i) Breakup of Gross revenue and Excise Duty on sales

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Revenue (gross)	52177.43	44135.50
Less: Excise Duty	10896.98	11577.70
Net Revenue	41280.45	32557.80

(ii) Sale to certain customers, which involves return of material upon extraction of relevant products are being invoiced for the gross supply quantity by the company and quantity returned is being invoiced by the customer on the company upon GST implementation. Accordingly, the quantity supplied to the extent received by the company after extraction is included in both Revenue from operations and purchase of stock in trade to the extent of ₹ 68.95 Crore (2018: ₹ 209.29 Crore) in line with the invoicing pattern under GST.

B Refer Note-41

Note – 21.1 : OTHER OPERATING REVENUES

		₹ in Crore	
Sl. No	Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
1	Sale of Power	1.10	1.76
2	Unclaimed / Unspent liabilities written back	5.24	2.33
3	Recoveries from Employees	1.39	2.64
4	Sale of Scrap	11.10	13.07
5	Amortisation of Government Grants	4.96	33.88
TOTAL		23.79	53.68

Note – 22 : OTHER INCOME

		₹ in Crore		
Sl. No	Particulars	Note	For the year ended 31-Mar-19	For the year ended 31-Mar-18
1	Interest on :			
	Financial Item:			
	a) Loans and Advances	5.40		9.66
	b) Short Term Deposits with Banks	8.83		0.31
	c) Customers Outstanding	9.42		2.02
	d) Others	5.55		3.53
			29.20	15.52
	Non Financial Item:	A	-	4.01
2	Other Non Operating Income		23.61	13.31
TOTAL			52.81	32.84

A Represents interest on Income tax refund received under the Income Tax Act, 1961

Total interest income (calculated using the effective interest method) for financial assets that are not at fair value through profit or loss:

	₹ in Crore	
	For the year ended 31-Mar-19	For the year ended 31-Mar-18
In relation to financial assets measured at amortised cost	29.20	15.52

Note – 23 : COST OF MATERIALS CONSUMED

Particulars	₹ in Crore	
	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Raw Material Consumed :		
Opening Balance	2604.70	1679.28
Add :		
Purchases	38139.97	30238.87
Sub Total	40744.67	31918.15
Less: Closing Stock	2276.56	2604.70
TOTAL (Net)	38468.11	29313.45

Note – 24 : CHANGES IN INVENTORY

Particulars	₹ in Crore	
	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Closing Stock		
a) Finished Products	1700.20	1442.24
b) Stock in Process	633.26	481.33
	2333.46	1923.57
Less:		
Opening Stock		
a) Finished Products	1442.24	991.50
b) Stock in Process	481.33	325.40
	1923.57	1316.90
NET INCREASE/(DECREASE)	409.89	606.67

Note – 25 : EMPLOYEE BENEFIT EXPENSE

Particulars	₹ in Crore	
	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Employee Benefit Expense:		
(a) Salaries, Wages, Bonus etc	361.10	387.34
(b) Contribution to Provident & Other Funds	60.68	153.61
(c) Staff Welfare Expenses	38.74	40.81
TOTAL (Net)	460.52	581.76

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

B Above excludes ₹ 27.84 Crore (2018: ₹ 18.04 Crore) included in capital work in progress (Note - 2.1)



Note – 26 : FINANCE COSTS

			₹ in Crore	
Sl. No	Particulars	Note	For the year ended 31-Mar-19	For the year ended 31-Mar-18
1	Interest Payments on Financial items:	(i)		
	I Working Capital Loans			
	Short term Borrowings	292.73		169.67
	Other Loans			
	Debentures/Foreign Currency Term Loan	A 65.17		27.66
			357.90	197.33
	II Unwinding of Finance cost		-	0.30
	III Interest expense for Preference Shares (including Dividend Distribution Tax) treated as financial liabilities	B	47.46	80.04
2	Interest Payments on Non Financial items	C	2.85	30.17
3	Other Borrowing Cost		1.59	0.51
4	Exchange differences regarded as adjustment to borrowing cost		9.96	12.51
	TOTAL		419.76	320.86
A	Net of interest capitalised as part of CWIP		41.55	77.45
B	Refer Note-15 D (v)			
C	Includes mainly interest under Income Tax Act, 1961			
(i) Total interest expense (calculated using the effective interest method) for financial liabilities that are not measured at fair value through profit or loss:				

			₹ in Crore	
			For the year ended 31-Mar-19	For the year ended 31-Mar-18
	In relation to financial liabilities measured at amortised cost		405.36	277.67

Note – 27 : OTHER EXPENSES

			₹ in Crore	
Sl. No	Particulars		For the year ended 31-Mar-19	For the year ended 31-Mar-18
1	Consumption:			
	a) Stores, Spares and Consumables	91.46		82.94
	b) Packages & Drum Sheets	1.14		0.99
			92.60	83.93
2	Power & Fuel	3941.77		2665.73
	Less : Fuel from own production	3860.94		2611.26
			80.83	54.47
3	Irrecoverable taxes - Central Sales Tax		225.43	158.00
4	Repairs and Maintenance			
	i) Plant & Machinery	235.23		153.28
	ii) Buildings	3.34		2.92
	iii) Others	38.70		49.34
			277.27	205.54
5	Freight, Transportation Charges and Demurrage		56.86	72.88
6	Office Administration, Selling and Other Expenses (Note "27.1")		433.03	201.22
	TOTAL		1166.02	776.04
	Less: Company's use of own Products		2.32	22.75
	TOTAL (Net)		1163.70	753.29

Note – 27.1 : OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES

			₹ in Crore	
Sl. No	Particulars	Note	For the year ended 31-Mar-19	For the year ended 31-Mar-18
1	Rent		14.46	17.39
2	Insurance		15.82	12.78
3	Rates & Taxes		2.67	1.80
4	Payment to auditors :			
	a) For Statutory Audit	0.23		0.18
	b) For Limited Review	0.11		0.10
	c) For Taxation Matters	0.06		0.06
	d) Other Services(for issuing other certificates etc.)	0.03		0.01
			0.43	0.35
5	Travelling & Conveyance		25.79	21.48
6	Communication Expenses		2.23	2.62
7	Printing & Stationery		1.35	1.42
8	Electricity & Water		1.10	0.83
9	Bank Charges		1.22	0.99
10	Provision / Loss on Assets sold or written off (Net)		15.61	2.06
11	Technical Assistance Fees		7.89	8.08
12	Exchange Fluctuation (Net)		242.80	47.31
13	Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores		4.05	5.33
14	Security Force Expenses		33.82	31.12
15	Terminalling Charges		20.40	21.34
16	Expenses on CSR Activities	Refer Note:39	18.89	9.18
17	Miscellaneous Expenses	A	24.50	17.14
TOTAL			433.03	201.22

A Miscellaneous Expenses Includes:

- i) Expenditure on Advertisement, Public Relations and Publicity amounting to ₹ 3.17 Crore (2018 : ₹ 2.61 Crore). The ratio of annual expenditure on Advertisement,Public Relations and Publicity to the annual turnover (inclusive of excise duty) is 0.00006:1 (2018: 0.00006:1)
- ii) Entertainment Expenses ₹ 0.24 Crore (2018: ₹ 0.28 Crore)

Note – 28 : OTHER COMPREHENSIVE INCOME

			₹ in Crore	
Sl. No	Particulars		For the year ended 31-Mar-19	For the year ended 31-Mar-18
A.	Items that will not be reclassified to profit or loss:			
1	Remeasurement of Defined Benefit Plans	(2.30)		9.43
2	Share of Joint Ventures and Associates in Remeasurement of Defined Benefit Plans	(0.44)		0.19
			(2.74)	9.62
B.	Income Tax relating to items that will not be reclassified to profit or loss:			
1	Remeasurement of Defined Benefit Plans	0.80		(3.29)
2	Share of Joint Ventures and Associates in Remeasurement of Defined Benefit Plans	0.16		(0.07)
			0.96	(3.36)
TOTAL			(1.78)	6.26



Note – 29 : DISTRIBUTIONS MADE AND PROPOSED

Particulars	₹ in Crore	
	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Cash dividends on Equity shares declared and paid:		
Final dividend for FY 17-18 declared and paid during the year ended 31 March 2019: ₹ 18.5 per share; (for FY 16-17 dividend declared and paid during the year ended 31 March 2018 : ₹ 21 Per Share)	275.49	312.71
DDT on dividend paid	56.63	63.66
	332.12	376.37
Proposed dividends on Equity shares:		
Final dividend for year ended 31 March 2019: ₹ NIL per share (31 March 2018: ₹ 18.5 per share)	-	275.49
DDT on proposed dividend	-	56.63
	-	332.12

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	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Profit / (Loss) attributable to equity holders (₹ in Crore)	(205.35)	927.22
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	148911400	148911400
Earning Per Share (Basic and Diluted) (₹)	(13.79)	62.27
Face value per share (₹)	10.00	10.00

Note – 31 : DISCLOSURE OF INTEREST IN JOINT VENTURES AND ASSOCIATES

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	(₹ in Crore)
					Carrying Amount
Indian Additives Limited	India	50%	Joint Venture	Equity Accounting	158.98
National Aromatics and Petrochemical Corporation Limited	India	50%	Joint Venture	Equity Accounting	Nil

Summarised balance sheet of the Indian Additives Limited:		(₹ in Crore)	
	As at 31-Mar-19	As at 31-Mar-18	
Current assets	292.62	278.40	
Current liabilities	100.53	83.65	
Non-current assets	163.46	141.55	
Non-current liabilities	37.59	31.43	
Net assets	317.96	304.87	
Proportion of the company's ownership on the above	50%	50%	
Carrying amount of the investment	158.98	152.44	
The above amounts of assets and liabilities include the followings			
Cash and cash equivalents	22.75	3.72	
Current financial liabilities (excluding trade and other payables and provisions)	4.35	6.24	
Non-current financial liabilities (excluding trade and other payables and provisions)	-	-	

Summarised statement of profit and loss of the Indian Additives Limited:		(₹ in Crore)	
Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18	
Revenue From Operations	777.08	639.46	
Other Income	9.57	13.40	
Cost of Material Consumed	471.73	432.81	
Purchases of Stock in trade	136.52	50.75	
Changes in inventories of finished goods, stock-in-trade and work in progress	(0.12)	0.12	
Excise duty on sale of goods	0.00	16.37	
Employee Benefits Expense	27.68	24.48	
Finance Costs	0.18	0.14	
Depreciation and amortization expense			
a) Tangible Assets	10.24	6.85	
b) Intangible Assets	0.31	0.38	
	10.55	7.23	
Other Expenses	96.43	61.19	
Profit before exceptional items and tax	43.69	59.78	
Exceptional Items	-	-	
Profit/(loss) before tax	43.69	59.78	
Tax expense:			
Current Tax	9.92	20.30	
Deferred Tax	5.85	0.40	
Profit (Loss) for the period	27.92	39.08	
Other Comprehensive Income	(0.57)	0.25	
Total comprehensive income	27.35	39.33	
Dividend received	5.92	5.92	



Commitments and contingent liabilities in respect of Joint Venture

Particulars	31-Mar-19	31-Mar-18
Commitments – Joint Venture		
Property, Plant and Equipments	4.88	2.66
Civil Work relating to Project	0.58	1.78
Contingent liabilities – Joint Venture		
Income Tax Matters	5.12	4.57
Excise Duty Matters	0.01	0.01
Service Tax Matters	0.80	1.30
Sales Tax Matters	0.34	0.34
Customs duty matters	0.37	0.37

Individually immaterial Joint Ventures:

Particulars	Note	31-Mar-19	31-Mar-18
Aggregate carrying amount of individually immaterial Joint Venture			
i) National Aromatics and Petrochemical Corporation Limited	A	-	-
Aggregate amounts of the group's share of:			
Profit/(loss) from continuing operations		NA	NA
Other comprehensive income		NA	NA
Total comprehensive income		NA	NA
Share of profits from Joint Venture		NA	NA

A. The Investment in JV have been fully provided for diminution in value of investments. The JV is not Operational. The company has decided to exit from the JV and the process in this regard is already initiated.

NA - Not Applicable

Note – 32 EMPLOYEE BENEFITS

Disclosures in compliance with Ind AS 19 on “Employee Benefits” is as under:

A. Defined Contribution Plans- General Description

Pension Scheme:

During the year, the company has recognised ₹22.53 Crore (2018: ₹ 22.15 Crore) towards Defined Contributory Employees Pension Scheme in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident & Other Funds in Note - 25/ Construction period expenses in Note-2.1)

During the year, the company has recognised ₹ 2.24 Crore (2018: ₹ 2.34 Crore) as contribution to EPS-95 in the Statment of Profit and Loss/CWIP (included in Contribution to Provident and Other Funds in Note-25/Construction period expenses in Note-2.1)

B. Defined Benefit Plans- General Description

1 Provident Fund:

The Company's contribution to the Provident Fund is remitted to separate provident fund trust established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company. The Provident Funds maintained by the PF Trust in respect of which actuarial valuation is carried out does not have any deficit as on 31st March 2019.

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.

3 Post Retirement Medical Scheme (PRMS):

PRMS provides medical benefit to retired employees and eligible dependant family members.

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:

Each employee is entitled to get 8 days of earned leaves for each completed quarter of service. Encashment of earned leaves is allowed during service leaving a minimum balance of 15 days subject to maximum accumulation up to 300 days. In addition, each employee is entitled to get 5 days of sick leaves at the end of every six months. The entire accumulation of sick leaves is permitted for encashment only at the time of retirement.

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.

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

Particulars	₹ in Crore		
	Provident Fund Funded	Gratuity Funded	PRMS Non-funded
Defined Obligation at the beginning	471.24	141.47	164.31
	<i>417.77</i>	<i>79.98</i>	<i>59.67</i>
Current Service Cost	20.89	1.48	3.58
	<i>19.92</i>	<i>0.89</i>	<i>3.32</i>
Interest Cost	41.74	11.15	12.75
	<i>36.58</i>	<i>5.81</i>	<i>4.44</i>
Past Service Cost	-	-	-
	-	<i>66.23</i>	<i>103.77</i>
Benefits paid	(39.00)	(13.28)	(3.98)
	<i>(34.30)</i>	<i>(5.86)</i>	<i>(3.49)</i>
Employee Contribution	49.59	-	-
	<i>30.78</i>	-	-
Transferred from other company	0.49	-	-
	<i>0.49</i>	-	-
Actuarial (gain)/ loss on obligations	-	3.40	(1.12)
	-	<i>(5.58)</i>	<i>(3.40)</i>
Defined Benefit Obligation at the end of the year	544.95	144.22	175.54
	<i>471.24</i>	<i>141.47</i>	<i>164.31</i>



(ii) Reconciliation of balance of Fair Value of Plan Assets

(₹ in Crore)

Particulars	Provident Fund	Gratuity
	Funded	Funded
Fair Value of Plan Assets at the beginning of the year	481.81	81.86
	427.86	80.27
Expected return on plan assets	41.74	(0.02)
	36.58	0.45
Contribution by employer	20.89	59.59
	19.92	0.00
Contribution by employees	49.59	-
	30.77	-
Benefit paid	(39.00)	(13.24)
	(34.29)	(4.69)
Transferred from other company	0.49	-
	0.49	-
Interest Income	-	10.46
	-	5.83
Actuarial gain / (losses)	1.34	-
	0.48	-
Fair value of plan assets at the end of the year	556.86	138.65
	481.81	81.86

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

(₹ in Crore)

Particulars	Provident Fund	Gratuity
	Funded	Funded
Fair Value of Plan Assets at the end of the year	556.86	138.65
	481.81	81.86
Defined Benefit Obligation at the end of the year	544.95	144.22
	471.24	141.47
Liability recognised in the Balance Sheet (As per para 64 of Ind AS-19)	-	5.57
	-	59.61
Amount not recognised in the Balance Sheet	(11.91)	-
	(10.57)	-

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

(₹ in Crore)

Particulars	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Current Service Cost	20.89	1.48	3.58
	19.92	0.89	3.32
Interest Cost	41.74	11.15	12.75
	36.58	5.81	4.44
Expected (return) / loss on plan asset	(41.74)	(10.46)	-
	(36.58)	(5.83)	-
Contribution by Employees	-	-	-
	-	-	-
Past Service Cost	-	-	-
	-	66.23	103.77
Expenses for the year	20.89	2.17	16.33
	19.92	67.10	111.53

(v) Amount recognised in Other Comprehensive Income (OCI)

(₹ in Crore)

Particulars	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Actuarial (gain)/ loss on Obligations	-	3.40	(1.12)
	-	(5.58)	(3.40)
Remeasurement (Return on Plan Assets excl interest income)	1.34	0.02	-
	0.48	(0.45)	-
Net Loss / (Gain) recognized in OCI	-	3.42	(1.12)
	-	(6.03)	(3.40)
Net Loss / (Gain) not recognized in P&L / OCI	(1.34)	-	-
	(0.48)	-	-

(vi) Major Actuarial Assumptions

Particulars	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Discount rate	7.69%	7.69%	7.78%
	7.88%	7.88%	7.76%
Expected return on plan assets	8.65%	-	-
	8.65%	-	-
Salary escalation	-	8.00%	-
	-	8.00%	-
Inflation	-	-	7.00%
	-	-	7.00%



The estimate of future salary increases considered in actuarial valuation takes into account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management and historical results of the return on plan assets.

(vii) Sensitivity on Actuarial Assumptions:

(₹ in Crore)

Loss / (Gain) for:	Gratuity	PRMS
	Funded	Non-funded
Change in Discounting Rate		
Increase by 0.5%	(3.77)	(13.01)
	(3.76)	(12.34)
Decrease by 0.5%	3.99	14.76
	3.98	13.99
Change in Employee Turnover		
Increase by 0.5%	1.15	0.56
	1.20	0.53
Decrease by 0.5%	(1.21)	(0.60)
	(1.25)	(0.57)
Change in Salary Escalation/ Inflation rate		
Increase by 0.5%	0.94	14.90
	0.87	14.13
Decrease by 0.5%	(0.96)	(13.24)
	(0.91)	(12.55)

(viii) Investment details:

Particulars	Provident Fund	Gratuity
	Funded	Funded
Investment with Insurer	-	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:

Particulars	Provident Fund	Gratuity
	Funded	Funded
Government securities (Central & State)	42.50%	66.76%
	44.22%	43.86%
Investment in Equity / Mutual Funds	6.20%	6.94%
	5.28%	4.75%
Investment in Debentures / Securities	46.03%	22.17%
	44.09%	47.17%
Other approved investments (incl. Cash)	5.26%	4.13%
	6.41%	4.22%

(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		PRMS
	Funded	Non-funded	
Within next 12 Months	17.64	4.63	22.27
	18.00	4.19	22.19
Between 2 to 5 Years	71.05	26.28	97.33
	68.45	23.20	91.65
Between 6 to 10 Years	66.34	51.30	117.64
	66.58	47.12	113.70

Particulars	Gratuity		PRMS
	Funded	Non-funded	
Weighted Average Duration of Defined Benefit Obligation	7 Years	16 Years	
	7 Years	16 Years	

Note – 33 : COMMITMENTS AND CONTINGENCIES**A Leases****Operating lease — as lessee**

The company has taken certain assets (including office/residential premises/Land) on Operating Lease which are cancellable by giving appropriate notice as per the respective agreements. During the year ₹14.46 Crore (2018: ₹17.39 Crore) had been paid towards cancellable Operating Lease.

B Contingent Liabilities

Contingent Liabilities amounting to ₹671.82 Crore (2018: ₹691.42 Crore) are as under:

- (i) ₹21.44 Crore (2018: ₹25.20 Crore) being the demands raised by the Central Excise / Customs / Service Tax Authorities including interest of ₹8.29 Crore (2018: ₹8.08 Crore).
- (ii) ₹527.71 Crore (2018: ₹529.98 Crore) being the demands raised by the VAT/ Sales Tax Authorities and includes no interest (2018: Nil).
- (iii) ₹92.39 Crore (2018: ₹98.16 Crore) in respect of Income Tax demands including interest of ₹46.57 Crore (2018: ₹48.03 Crore).
- (iv) ₹30.28 Crore (2018: ₹38.08 Crore) including ₹23.53 Crore (2018: ₹31.49 Crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹8.82 Crore (2018: ₹8.68 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 ₹833.15 Crore (2018: ₹1152.54 Crore).

(ii) Other Commitments

The Company has an export obligation to the extent of ₹31.74 Crore (2018: ₹101.46 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:

Particulars	(₹ in Crore)	
	31-Mar-19	31-Mar-18
• Sale of Product and Services	46947.92	39870.40
• Dividend on Preference Shares	66.50	66.50
• Dividend paid on Equity Shares	142.94	162.27
• Sale of Scrap / Catalyst	1.03	0.15
• EDP Maintenance	3.01	2.53
• Other Non operating Income	3.51	3.24
• Purchase of Raw Material	981.62	316.92
• Purchase of Stock-in-Trade	207.78	191.33
• Purchase of Stores & Spares	5.47	4.96
• Canalising commission	2.50	2.50
• Terminalling Charges	8.74	8.36
• Rental Expenditure	2.07	2.71
• Purchase of RLNG	6.88	-
• Creation of capital facilities by IOCL	8.11	10.04
• Capital Advances	0.79	13.67
• Outstanding Receivables	1360.02	1308.80
• Outstanding payables		
Trade Payables	2973.57	4022.82
Preference Shares (at face value)	500.00	1000.00

B. Details of Joint Ventures

- i) Indian Additives Limited

Particulars	(₹ in Crore)	
	31-Mar-19	31-Mar-18
• Investment	11.83	11.83
• Sale of Product	51.52	42.03
• Rental income	0.58	0.56
• Dividend received	5.92	5.92
• Sale of Water	-	0.01
• Outstanding Receivables	3.46	1.60

- ii) National Aromatics & Petrochemicals Corp. Limited

Particulars	(₹ in Crore)	
	31-Mar-19	31-Mar-18
• Investments in Joint Venture Entities/ Associates*	0.03	0.03

* The Investment has been fully provided for diminution in value (Note - 4)

C. Entities Over which KMP has significant influence

		(₹ in Crore)	
		31-Mar-19	31-Mar-18
i)	CPCL Educational Trust		
Particulars		31-Mar-19	31-Mar-18
	• CSR Expenses	0.70	0.62

D. Associates of Holding Company

		(₹ in Crore)	
		31-Mar-19	31-Mar-18
i)	IOT Infrastructure & Energy Services Limited		
Particulars		31-Mar-19	31-Mar-18
	• Terminalling/Bottling Charges	1.58	18.48
	• Capital Projects	8.10	19.76
	• Outstanding payable	11.71	8.83

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.

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 Gautam Roy (Upto 31.1.2018)	1) Shri.B.Ashok (Non - Executive Chairman) (Upto 31.5.2017)
2) Shri S.Venkataramana (Upto 31.7.2017)	2) Shri.Sanjiv Singh (Non - Executive Chairman)
3) Shri U.Venkata Ramana (Upto 31.7.2018)	3) Shri.K.M.Mahesh (Upto 24.11.2017)
4) Shri S.Krishna Prasad (Upto 31.1.2018)	4) Shri.Mrutunjay Sahoo
5) Shri S.N. Pandey	5) Dr.P.B.Lohiya
6) Shri G.Aravindan	6) Smt. Perin Devi
7) Shri Rajeev Ailawadi (w.e.f 08.5.2018)	7)Shri B V Rama Gopal (w.e.f 05.04.2018)
8) Shri R.Srikanthan (w.e.f 13.8.2018)	8) Shri D. Durai Ganesan (w.e.f 14.8.2018)
9) Shri P.Shankar	9) Shri.Mohammad Bagher Dakhili
	10) Shri Babak Bagherpour (w.e.f 27.03.2019)
	11) Shri S.M. Vaidya (Upto 05.04.2018)



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

For the Year ended 31-Mar-19

(₹ in Crore)

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Sitting Fee	Outstanding loans/advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri S.N. Pandey	0.51	0.08	-	-	0.59	-	0.01
2) Shri G.Aravindan	0.52	0.08	-	-	0.60	-	-
3) Shri Rajeev Ailawadi	0.35	0.06	-	-	0.41	-	-
4) Shri R.Srikanthan	0.37	0.09	0.02	-	0.48	-	-
5) Shri U.Venkata Ramana	0.17	0.03	-	-	0.20	-	-
6) Shri P.Shankar	0.48	0.07	-	-	0.55	-	0.11
B. Independent / Government Nominee Directors#							
1) Shri Mrutunjay Sahoo	-	-	-	-	-	0.06	-
2) Dr.PB.Lohiya	-	-	-	-	-	0.06	-
3) Shri D.Durai Ganesan	-	-	-	-	-	0.02	-
TOTAL	2.40	0.41	0.02	-	2.83	0.14	0.12

Sitting fees paid to Independent Directors

For the Year ended 31-Mar-18

(₹ 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 Gautam Roy	0.44	0.06	0.11	-	0.60	-	-
2) Shri S. Venkataramana	0.23	0.11	0.30	-	0.64	-	-
3) Shri U. Venkata Ramana	0.48	0.05	0.06	-	0.60	-	0.02
4) Shri S. Krishna Prasad	0.33	0.05	0.04	-	0.42	-	-
5) Shri P. Shankar	0.39	0.06	0.04	-	0.49	-	0.04
6) Shri S.N. Pandey	0.05	0.01	-	-	0.06	-	0.01
7) Shri G. Aravindan	0.07	0.01	-	-	0.08	-	-
B. Independent / Government Nominee Directors*							
1) Shri Mrutunjay Sahoo	-	-	-	-	-	0.03	-
2) Dr. P.B. Lohiya	-	-	-	-	-	0.05	-
TOTAL	1.99	0.35	0.55	-	2.89	0.08	0.07

* Sitting fees paid to Independent Directors

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

3) Trusts

Transactions with Post Employment Benefit Plans managed through separate trust

(₹ in Crore)

Sl. No	Name of the Trust	Post Employment Benefit Plan	31-Mar-19		31-Mar-18	
			Contribution by Employer	Outstanding Payable	Contribution by Employer	Outstanding Payable
A	CPCL Employees Provident Fund	Provident Fund	20.97	5.00	20.12	4.37
B	CPCL Employees Superannuation Benefit Fund	Pension Scheme	22.53	-	21.13	2.17
C	CPCL Employees Group Trust	Gratuity	59.59	-	-	-

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-19	As at 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18	
Financial Assets					
Amortised Cost:					
Loans to employees	55.65	47.85	50.16	46.70	Level 2
Total	55.65	47.85	50.16	46.70	
Financial liabilities					
A. Borrowings:					
Amortised Cost:					
Non-Convertible Redeemable Bonds	-	1000.00	-	1014.54	Level 2
Preference Shares	547.33	1080.04	558.38	1088.12	Level 2
Term Loans from Oil Industry Development Board (OIDB)	50.00	-	50.03	-	Level 2
Total	597.33	2080.04	608.41	2102.66	

Notes:

- Levels under Fair Value measurement hierarchy are as follows:
 - Level 1** items fair valuation is based upon **market price quotation at each reporting date**
 - Level 2** items fair valuation is based upon **Significant observable inputs like PV of future cash flows, MTM valuation, etc.**
 - Level 3** items fair valuation is based upon **Significant unobservable inputs wherein valuation done by independent valuer.**
- 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 is 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:** 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 2017-18 was reviewed by the Audit Committee and Board at the Meeting held on 10.05.2018 and the Report for the year 2018-19 has been reviewed by the Audit Committee and Board at the Meeting held on 07.05.2019 and 08.05.2019 respectively.

The Board of Directors oversees the risk management activities for managing each of these risks, which are summarised below:

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The major components of market risk are interest rate risk, foreign currency risk, commodity price risk and other price risks etc. Financial instruments affected by market risk include Borrowings, Deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2019 and 31 March 2018

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions, and other non-financial assets.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2019 and 31 March 2018 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 2019.

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 2019, approximately 69% of the Company's borrowings are at a fixed rate of interest (31 March 2018: 46%).

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		Effect on profit before tax	
	in basis points	(₹ in Crore)	in basis points	(₹ in Crore)
	31-Mar-19		31-Mar-18	
INR	+50	(6.65)	+50	(10.32)
US Dollar	+50	(3.48)	+50	(1.63)
INR	-50	6.65	-50	10.32
US Dollar	-50	3.48	-50	1.63

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	
	in %	(₹ in Crore)	in %	(₹ in Crore)
	31-Mar-19		31-Mar-18	
US Dollar	+5%	(177.87)	+5%	(203.34)
	-5%	177.87	-5%	203.34

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 2019 and 31 March 2018 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-19						
Borrowings	3089.99	1788.67	345.80	1443.51	-	6667.97
Trade payables	1168.95	2568.56	-	-	-	3737.51
Other financial liabilities	728.84	-	-	-	-	728.84
	4987.78	4357.23	345.80	1443.51	-	11134.32
Year ended 31-Mar-18						
Borrowings	2063.00	500.87	1101.46	825.90	-	4491.23
Trade payables	274.12	4169.53	-	-	-	4443.65
Other financial liabilities	455.66	-	-	-	-	455.66
	2792.78	4670.40	1101.46	825.90	-	9390.54

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. The Company also includes accrued interest in the borrowings for the purpose of capital management.

Particulars	(₹ in Crore)	
	31-Mar-19	31-Mar-18
Borrowings	6667.97	4491.23
Total Borrowings	6667.97	4491.23
Equity Share Capital	148.91	149.00
Reserves and Surplus	3307.63	3848.00
Equity	3456.54	3997.00
Debt Equity Ratio	1.93 : 1	1.12 : 1

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018

Note – 38 : RESEARCH AND DEVELOPMENT COSTS

Research and Development Expenses of ₹ 0.41 Crore (2018: ₹ 3.70 Crore) of capital expenditure incurred and ₹ 5.91 Crore (2018 ₹ 7.81 Crore) of recurring expenditure have been accounted for in the Statement of Profit and Loss during the year. Detailed break up of total expenditure is as under:

A. CAPITAL EXPENSES (FIXED ASSETS)

₹ in Crore

Asset Block	Gross Block as at 1 st Apr 2018	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at 31 st Mar 2019	Work-in-Progress as at 1 Apr 2018	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31 st Mar 2019	Total Capital Expenditure
1	2	3	4	5	6 = (2+3+4-5)	7	8	9	10 = (7+8-9)	11=(3+8)
Fixed Assets										
Plant & Equipment	15.68	0.28	-	-	15.96	0.06	0.06	-	0.12	0.34
Office Equipment	0.28	0.02	-	-	0.30	-	-	-	-	0.02
Furniture & Fixtures	0.23	0.05	-	-	0.28	-	-	-	-	0.05
Total	16.19	0.35	-	-	16.54	0.06	0.06	-	0.12	0.41

B. RECURRING EXPENSES

₹ in Crore

SI. No	Particulars	31-Mar-19	31-Mar-18
1	Consumption of Stores, Spares & Consumables	0.52	2.87
2	Repairs & Maintenance		
	(a) Plant & Machinery	0.15	0.33
3	Payment to and Provisions for employees	4.65	4.35
4	Other Expenses	0.59	0.26
	Total	5.91	7.81



C. TOTAL RESEARCH EXPENSES

₹ in Crore

Particulars	31-Mar-19	31-Mar-18
Capital Expenditure	0.41	3.70
Recurring Expenditure	5.91	7.81
Total	6.32	11.51

Note – 39 Disclosure relating to Corporate Social Responsibility (CSR) Expenditure

The disclosure in respect of CSR expenditure for Financial Year ended 2018-19 is as under: (₹ in Crore)

Particulars	31-Mar-19	31-Mar-18
(a) Gross amount required to be spent by the company during the year.		
Annual CSR Allocation	18.74	9.09
Carry forward from previous year	-	-
Gross amount required to be spent	18.74	9.09

(b) Amount spent during the year on:

(₹ in Crore)

Particulars	31-Mar-19			31-Mar-18		
	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	4.73	0.02	4.75	1.17	-	1.17
Swachh Bharat	7.22	0.10	7.32	4.47	-	4.47
Education/employment vocational skills	3.91	-	3.91	1.07	-	1.07
Drinking Water	0.30	-	0.30	0.21	-	0.21
Other expenses	2.61	-	2.61	2.26	-	2.26
Total Expenses (ii)	18.77	0.12	18.89	9.18	-	9.18
Grand Total (i) and (ii)	18.77	0.12	18.89	9.18	-	9.18

**Provisions made for liabilities incurred

Note – 40 EXPOSURE TO FINANCIAL DERIVATIVES

Financial and Derivative Instruments:

- 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.
- The company has No Outstanding forward contract as at 31st March 2019(2018 : NIL) which has been undertaken to hedge its exposure to borrowings and other financial liabilities.
- Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2019 is given below:

₹ in Crore

S. No	Particulars	As on 31-Mar-19 Aggregate amount	As on 31-Mar-18 Aggregate amount
1	Unhedged- Payables	3691.80	4347.97
2	Unhedged- Receivables	134.46	281.19

NOTE-41 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 is given below;

	₹ in Crore	
	2018-19	2017-18
Total Revenue	52191.02	44152.97
Revenue from contract with customers	52177.43	44135.50
Revenue from other contracts/from others	13.59	17.47

No impairment of losses on receivables has been recognised during the current and previous year.

Reconciliation of Opening and Closing balance of Receivables :

₹ in Crore

	Receivables	
	2018-19	2017-18
Opening Balance	1569.49	1039.7
Additions during the year- From New Contracts	52189.63	44135.50
Less: Amount Received	52135.38	43605.71
Closing Balance	1623.74	1569.49

Note – 42 : OTHER DISCLOSURES**1 Details of impairment loss in respect of Cauvery Basin Refinery**

The Company has refineries at two locations viz., Manali and Nagapattinam (Cauvery Basin Refinery - CBR). Consequent to implementation of BS- IV specifications on a pan India basis w.e.f 01.04.2017 and in the absence of secondary treatment facilities, the BS – III grade of diesel production from CBR would not be marketable in the local market, entailing significant coastal/export under recoveries, which has adversely impacted the profitability of CBR and hence the value in use is negative. Accordingly, in line with the requirements of Ind AS -36, an amount of ₹ 0.93 Crore (2018: ₹ 4.33 Crore) has been accounted as impairment loss during the year, being the difference between the carrying value of additions (including Capital work in Progress) during the year and the recoverable value of the assets. This impairment loss has been recognised in the statement of profit and loss as the carrying value of the assets is lower than the value in use/ estimated recoverable amount of this CGU. Total impairment loss recognized as on 31.03.2019 - ₹ 67.04 Crore (2018: ₹ 66.11 Crore). Further the operations of the CBR unit have been stopped from 01.04.2019.

In estimating the value in use, the approximate weighted average capital cost has been considered as the discount rate used to calculate the net present value of the estimated future cash flows, which are subject to changes in the external environment.

The fair value less cost of disposal used to determine the recoverable amounts of the impaired assets are classified as level 3 fair value measurements (as detailed in statement of significant accounting policy no.4), as the estimated recoverable amounts are not based on observable market data, rather, management's best estimates. 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.
- 2 Capital Work in progress & Intangibles under development includes ₹ 25.11 crore and ₹ 77.99 crore (018 : Nil) respectively towards pre-project feasibility studies for the 9 MMTPA refinery being planned at Cauvery Basin Refinery, Nagapattinam.
 - 3 Pay revision in respect of supervisory employees due from 01.01.2017 has been implemented based on receipt of presidential directives on 29.10.2017 and accounted accordingly. Pending finalization of revision in pay and benefits in respect of non - supervisory employees, provision of ₹ 69.14 crore, including consequential impact of retirement benefits has been reckoned. (2018: ₹ 37.83 Crore)
 - 4 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.
 - 5 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.
 - 6(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.
- 7 "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 ₹ 63.98 Crore (replacement & repair cost net of deductibles and Fuel cost for start-up, shutdown and for loss minimisation net of deductibles), on account payment of ₹ 3.00 Crore received from the insurance company in FY 2015-16, has been accounted as income in that year. The claim has been lodged with the insurance company. The insurance company is yet to settle the claim amount.

In respect of damages suffered due to Vardha cyclone during December 2016, claim of ₹ 4.36 Crore (net of deductibles) for material damage and ₹ 1.22 Crore (net of deductibles) relating to fuel cost for shutdown and startup was submitted to the Insurance Company during the year 2018-19. Final claim is yet to be lodged with the insurance company.
 - 8 Valuation of Finished Products:

The overall gross margin percentage for all joint products is subtracted from the sale value of inventory of each product to arrive at the total cost of each product which is taken as the basis for valuation of closing stock of finished products. (Refer Policy No 7.2 in Note – 1 – "Statement of Significant Accounting Policies").
 - 9 The company operates only in a single segment viz. downstream petroleum sector. As such reporting is done on a single segment basis.
 - 10 There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the Balance Sheet date.
 - 11 Previous year's comparative figures have been regrouped, reclassified and recast wherever necessary.

Note – 43 : 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 2019	95.40%	3297.56	106.80%	(219.31)	84.24%	(1.50)	106.60%	(220.81)
Balance as at 31 st March 2018	96.19%	3844.56	97.89%	907.68	97.92%	6.13	97.89%	913.81
Joint ventures (investment as per the equity method of accounting)								
Indian								
1 Indian Additives Limited								
Balance as at 31st March 2019	4.60%	158.98	(6.80%)	13.96	15.76%	(0.28)	(6.60%)	13.68
Balance as at 31 st March 2018	3.81%	152.44	2.11%	19.54	2.00%	0.13	2.11%	19.67
2 National Aromatics and Petrochemical Corporation Limited								
Balance as at 31st March 2019	-	-	-	-	-	-	-	-
Balance as at 31 st March 2018	-	-	-	-	-	-	-	-
Total Balance as at 31st March 2019	100.00%	3456.54	100.00%	(205.35)	100.00%	(1.78)	100.00%	(207.13)
Balance as at 31 st March 2018	100.00%	3997.00	100.00%	927.22	100.00%	6.26	100.00%	933.48



Chennai Petroleum Corporation Limited

Note – 44 : 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-19	31-Mar-19
2	Date on which the Associate or Joint Venture was associated or acquired	13-Jul-89	10-May-89
3	i) No.	1183401	25000
	ii) Amount of Investment in Associates / Joint Ventures	11.83	0.03
	iii) Extent of Holding	50.00%	50.00%
4	Description of how there is significant influence	Joint venture	Joint venture
5	Reason why the associate / Joint ventures is not consolidated	Consolidated	Consolidated
6	Net worth attributable to shareholding as per latest audited balance sheet	158.98	-
7	Profit / (Loss) for the year		
	I) Considered in Consolidation	13.96	-
	II) Not Considered in consolidation	13.96	-

(S N Pandey)

Managing Director
DIN - 08062182

(Rajeev Ailawadi)

Director (Finance)
DIN - 07826722

(P.Shankar)

Company Secretary
ACS -7624

As per our Report of even date

For PADMANABHAN RAMANI & RAMANUJAM

Chartered Accountants
(FRN: 002510S)

P. Ranga Ramanujam

Partner
Membership No. 022201

For S. VISWANATHAN LLP

Chartered Accountants
(FRN: 004770S / S200025)

V.C. Krishnan

Partner
Membership No. 022167

Place : Chennai

Date : 08-May-2019

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 2019

The preparation of financial statements of **Chennai Petroleum Corporation Limited** for the year ended 31 March 2019 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 **08 May 2019**.

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 2019 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 auditor's report under Section 143(6)(b) of the Act.

**For and on behalf of the
Comptroller & Auditor General of India**

**(R. AMBALAVANAN)
Director General of Commercial Audit and
Ex-Officio Member, Audit Board, Chennai**

**Place : Chennai
Date : 08.07.2019**



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 2019

The preparation of consolidated financial statements of **Chennai Petroleum Corporation Limited** for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **08 May 2019**.

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 2019 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 Petrochemical 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 auditor's report under Section 143(6)(b) of the Act.

**For and on behalf of the
Comptroller & Auditor General of India**

**(R. AMBALAVANAN)
Director General of Commercial Audit and
Ex-Officio Member, Audit Board, Chennai**

**Place : Chennai
Date : 08.07.2019**

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

To,
 Karvy Fintech Private Limited
 Unit: CHENNAI PETROLEUM CORPORATION LIMITED
 Karvy 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.



Chennai Petroleum Corporation Limited



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/ sld@cpcl.co.in

Tel: 044-24349833 / 24346807

CIN: L40101TN1965GOI005389

ATTENDANCE SLIP

DP ID.*	CLIENT ID*	FOLIO NO.	NO. OF SHARE(S)
---------	------------	-----------	-----------------

* Applicable for members who are holding shares in dematerialized form

I/We hereby record my / our presence at the 53rd Annual General Meeting of the Company, to be held on Wednesday, the 21st August 2019 at 3.00 pm, at Kamaraj Arangam, 498, Anna Salai, Chennai- 600006.

Name of the Member

.....

Signature of the Member

.....

Name of the Proxy

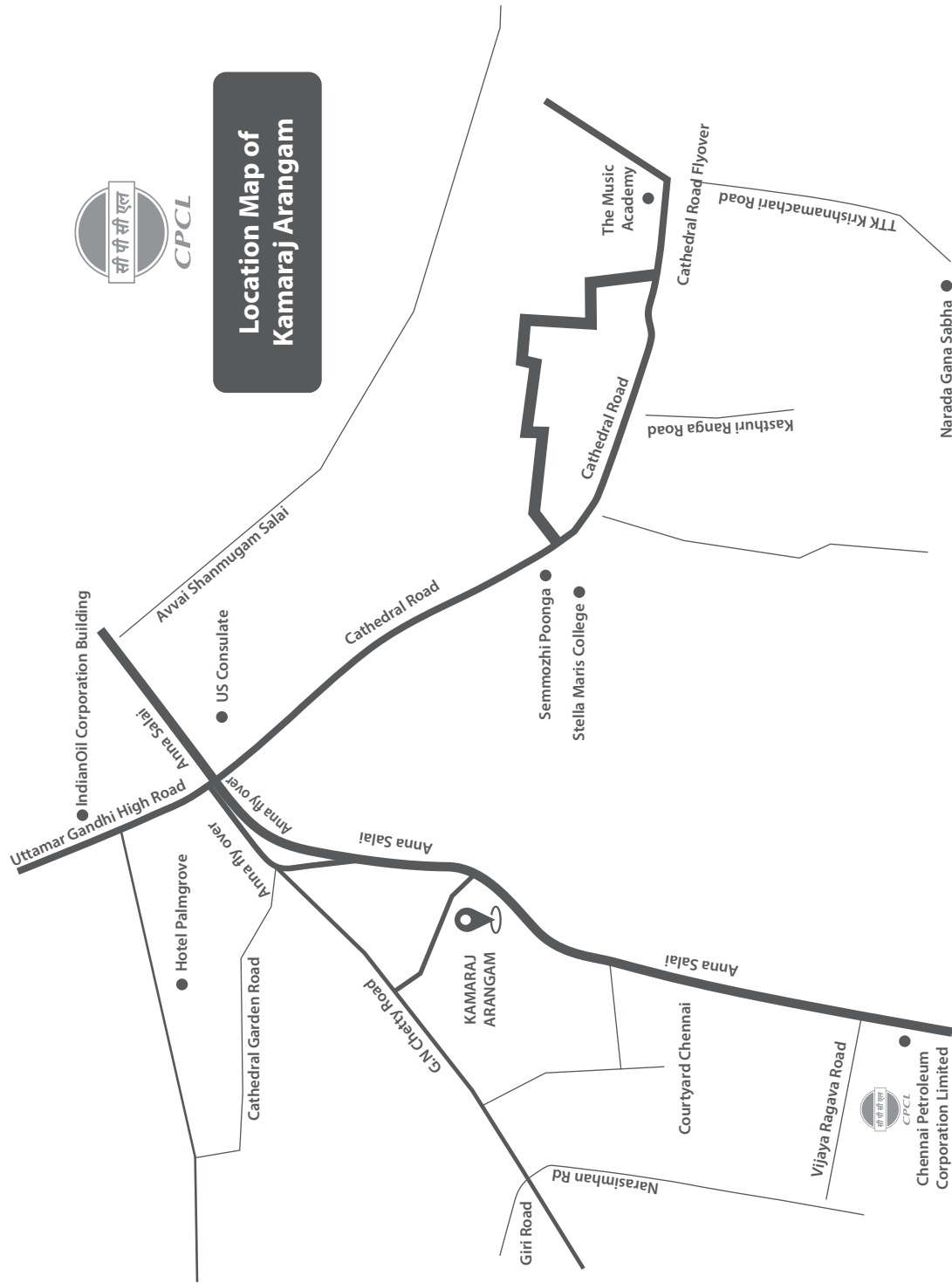
.....

Signature of the Proxy

.....

Notes:

1. Kindly sign and hand over the attendance slip at the entrance of the meeting hall.
2. Members/Proxy holders are requested to bring their copy of the Annual Report for reference at the meeting.





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/ sld@cpcl.co.in

Tel: 044-24349833 / 24346807

CIN: L40101TN1965GOI005389

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014

Name of the member(s)

Registered Address

Email id

Folio No. / Client Id *

DP ID *

* Applicable for members who are holding shares in dematerialized form.

I/We, being the member(s) holding shares of the above named company, hereby appoint

- 1) of having email id or failing him
- 2) of having email id or failing him
- 3) of having email id

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 53rd Annual General Meeting of the Company, to be held on Wednesday, the 21st August 2019 at 03.00.pm at Kamaraj Arangam, 498, Anna Salai, Chennai- 600006 and at any adjournment thereof in respect of such resolutions as are indicated below:



SI.No	RESOLUTIONS
ORDINARY BUSINESSES:	
1	To receive, consider and adopt the Audited Financial Statement (Standalone and Consolidated) of the Company for the period from 1 st April 2018 to 31 st March 2019, together with the Directors' Report and the Auditor's Report.
2	To appoint a Director in place of Mr G.Aravindan (DIN 07992886), who retires by rotation and being eligible, offers himself for reappointment.
3	To appoint a Director in place of Mrs. Perin Devi (DIN 7145051), who retires by rotation and being eligible, offers herself for reappointment.
SPECIAL BUSINESSES:	
4	Appointment of Mr. R.Srikanthan (DIN 08198470) as a Director
5	Appointment of Mr. D.Duraiganesan (DIN 08200628) as an Independent Director
6	Ratification of remuneration of Cost Auditor for the year 2019-20
7	Increasing the borrowing powers of the Company from ₹ 8000 crore to ₹ 10,000 crore
8	Charging/ Mortgaging the moveable/ immoveable properties of the company for the borrowings under section 180 (1)(a) of the Companies Act, 2013.

Signed this day of 2019.

Affix
Revenue
Stamp

.....
Signature of Member

.....
Signature of first proxy holder

.....
Signature of second proxy holder

.....
Signature of third proxy holder

NOTE: This Proxy Form duly filled in must be deposited at the Registered Office of the Company at 536,Anna Salai, Teynampet, Chennai – 600018 not less than 48 hours before the commencement of the Annual General Meeting



Members of Parliamentary Standing Committee on Labour held discussions With CPCL on 17.01.2019



Members of Parliamentary Committee on Papers Laid on the Table, Rajya Sabha held discussions with CPCL on 13.09.2018



Members of Parliamentary Committee on Public Undertakings held discussions with CPCL on 28.09.2018



Visit of Independent Directors to Manali Refinery



Shri. Sanjiv Singh Addressing the Shareholders at the 52nd Annual General Meeting on 24.08.2018



CPCL has joined hands with IIT Madras to take up various activities like water bodies rejuvenation, sanitation, water harvesting, solar power etc in Vellappakkam, Gopurajapuram and Panangudi villages in Nagapattinam district



Interaction by Chairman with the Employees of CPCL on 28.07.2018 in Manali Refinery



CPCL

चेन्नई पेट्रोलियम कॉर्पोरेशन लिमिटेड
(इंडियन ऑयल की ग्रुप कम्पनी)

Chennai Petroleum Corporation Limited

(A group company of Indian Oil)

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