चेन्नै पेट्रोलियम कॉर्पोरेशन लिमिटेड
(इंडियनऑयल की ग्रुप कम्पनी)
Chennai Petroleum Corporation Limited
(A group company of IndianOil)

सी पी सी एल
CPCL

CS:01:056 31.07.2022

The Secretary,
BSE Ltd.
Phiroze Jeejeeboy Towers,
25th Floor, Dalal Street,
Mumbai – 400 001

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No.C/1, G-Block,
Bandra Kurla Complex
Bandra (e)
Mumbai – 400 051

BSE Scrip Code: **500110** NSE Trading Symbol: **CHENNPETRO**

ISIN: **INE178A01016**

Dear Madam / Sir,

SUBJECT: ANNUAL REPORT FOR FY 2021-22 AND NOTICE OF 56TH ANNUAL GENERAL MEETING (AGM).

This is in continuation to our intimation dated July 30th, 2022, informing that the 56th Annual General Meeting of the Company will be held on Tuesday, 23rd August, 2022, at 03:30 p.m. (IST) through Video Conferencing ("VC") I Other Audio Visual Means ("OA VM"). Pursuant to Regulation 34(1) of SEBI (LODR) Regulations 2015, please find enclosed the Notice convening the 56th Annual General Meeting (AGM) along with the Annual Report of the Company for the Financial Year 2021-22, sent to the members of the Company through e-mail. The Notice of 56th AGM along with the Annual Report for the financial year 2021-22 is also available on the website of the Company at: https://cpcl.co.in/investors/financials/annual-reports/.

This communication is also being made available on Corporation's website at https://cpcl.co.in/investors/financials/exchange-intimations/.

Please take the above information on record and arrange for its dissemination.

Yours faithfully,
For *Chennai Petroleum Corporation Limited*
P Shankar

P.SHANKAR
COMPANY SECRETARY
& COMPLIANCE OFFICER

चेन्नई पट्रोलियम कॉर्पोरेशन लिमिटेड
(भारत सरकार का उद्योग और
इंडियनऑयल की ग्रुप कंपनी)

Chennai Petroleum Corporation Limited

(A Govt. of India Enterprise and
a group company of IndianOil)

56th Annual Report 2021-22

Energising

the future
sustainably

Across the pages

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Corporate Overview

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Statutory Reports

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Financial Statements

Standalone

Consolidated

FY'22 highlights

~44%

Revenue growth YoY

~29%

EBIDTA growth YoY

~463%

PAT growth YoY

Scan QR code or click on the link below to know more about us
https://cpcl.co.in

Look for this icon throughout the report

Page reference within the report

For a rapidly developing economy like India with a billion-plus aspirational population, sustainable supply of petroleum products is the critical need of the hour. We are committed to gradually expand our role and responsibility in providing an array of value-added petroleum products and contribute more meaningfully to the nation's progress.

Despite headwinds posed by repeated waves of the pandemic, we reported stellar performance in FY22. This is an outcome of the strategic decisions that we have taken over the years and the resilience of our business model.

We are building scale, enhancing operating efficiencies and digitising operations, with highest standards of safety. In addition, we are focusing on technology upgradation, energy conservation and community support to create holistic value and take our illustrious legacy forward.

Introducing CPCL

Chennai Petroleum Corporation Limited (CPCL) is among the leading downstream petroleum companies, refining crude oil to produce and supply various petroleum products.

Since its inception in 1967, CPCL is focused on producing regular petroleum products and also value-added downstream petroleum products. Over the years, we have continuously expanded our capacities and expanded our product offerings to create unmatched value for stakeholders. Today, a subsidiary of Indian Oil Corporation Limited (IOCL), our legacy spans over five decades, creating a niche portfolio of petroleum products with one of the most complex refineries in India.

Our refinery in Manali has enabled us to accelerate new product development and meet the growing energy demands of the country. Integrated operations have allowed us to pioneer in product development as well as process optimisation initiatives.

for more details about our offerings refer page 006 of the annual report

Our offerings

Fuels & Lubes

As a part of Nation's vision towards building a greener tomorrow, the auto fuel policy has envisaged use of BS-VI grade fuel. CPCL is among the first refineries in the country to produce auto fuel meeting BS-VI specifications. It also produces lubes of different grades that services the evolving automotive sector needs.

Speciality Products

CPCL has a Fluidized Catalytic Cracking Unit (FCCU), which produces various cracked LPG with various components for value addition. CPCL produces petrochemical feedstock from the cracked LPG stream and supplies the same to various downstream units in Manali area.

Vision

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

Mission

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

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

To constantly innovate new products and alternate fuels.

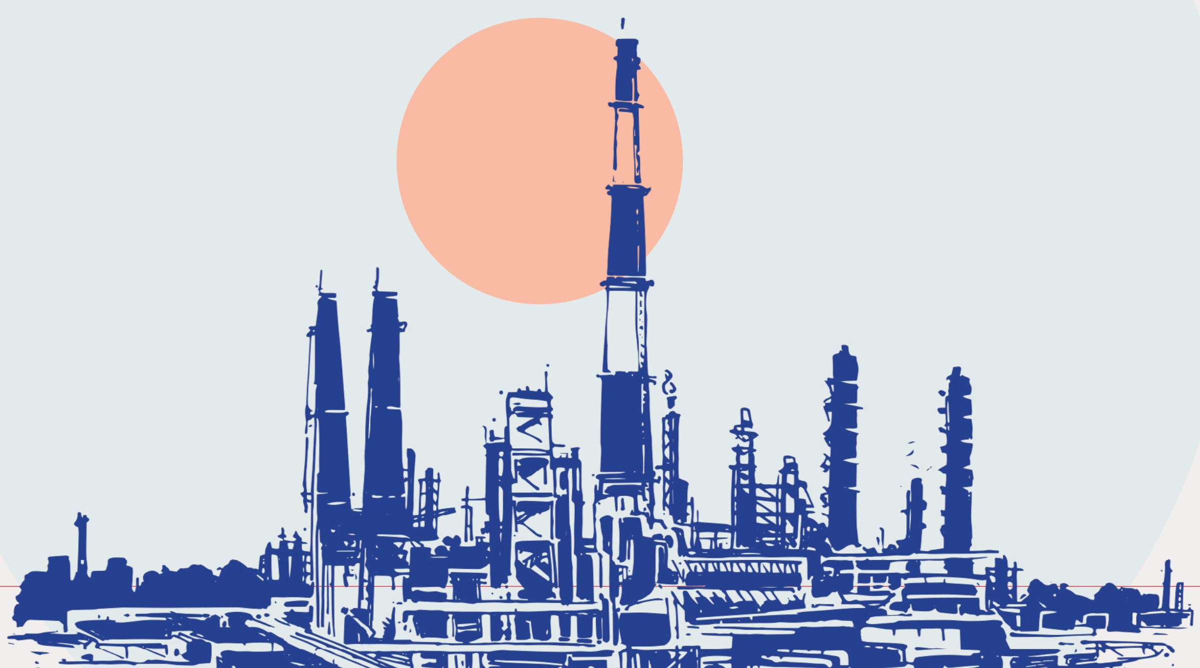
To recognize Human Resources as the most valuable asset and foster a culture of participation for mutual growth.

To ensure high standards of business ethics and corporate governance.

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

Core Values

- Technology
- Prime focus on safety
- Consistent growth
- Respect for people
- Care for environment
- Synergy



Our integrated business model

Our integrated business model and prudent growth strategy enable us to achieve sustainable growth and create value across the downstream petroleum sector by leveraging our competitive advantages.

Strong industry positioning

One of the **leading downstream petroleum** products companies

Among the most **complex refineries** in the country with robust operations

Favourably positioned in **South India** to serve growing demand with existing capacities

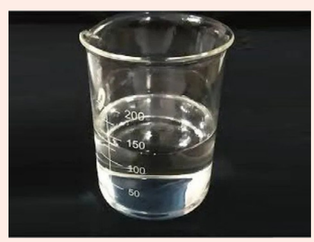
Proposed **capacity expansion project** in progress to strengthen market leadership

Diversified product offerings

Fuels


LPG


Motor Spirit


Superior Kerosene


Aviation Turbine Fuel


High Speed Diesel


Naphtha


Fuel Oil


Bitumen

Speciality products

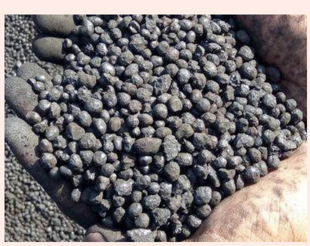
Hexane

Mineral Turpentine Oil (MTO)

Lube Base Stocks

Petrochemical feedstocks

Paraffin Wax



Petcoke

Key business enablers

State-of-the-art and integrated refineries in India to cater rising energy needs

Experienced Board and leadership team to ensure agility in business model

Leveraging technology to innovate and produce new products with robust R&D infrastructure

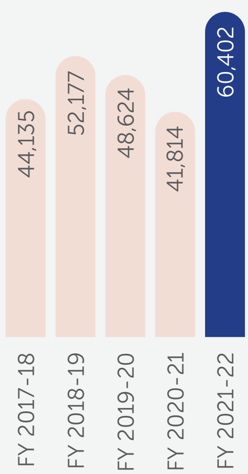
A **talented workforce** with right investments in **skill development** and amidst an **inclusive work culture**

The Board embraces responsibility of ensuring **sound corporate governance** practices across operations

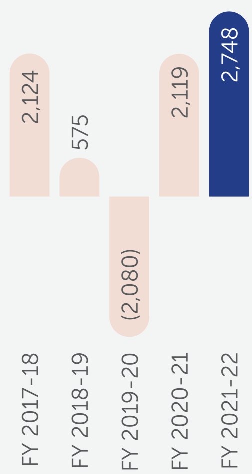
Strong **liquidity** and healthy **cash flows**

Financial performance

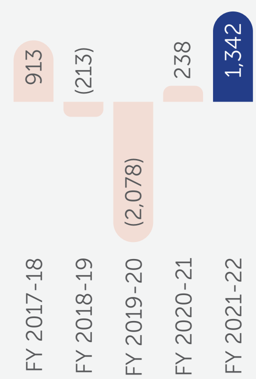
Revenue from operations
(₹ in crore)



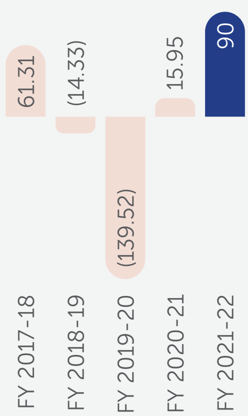
EBIDTA
(₹ in crore)



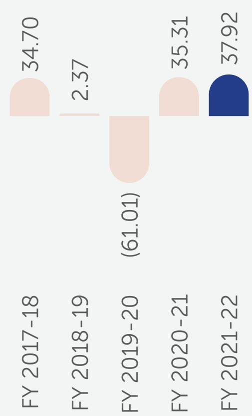
PAT
(₹ in crore)



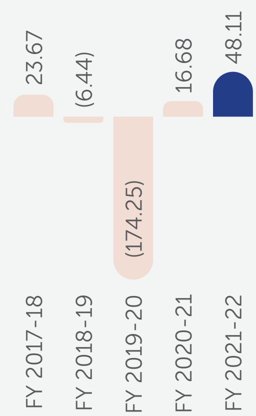
EPS
(₹)



ROCE
(%)



ROE
(%)



Our illustrious journey across decades

1967
Manali Refinery construction commenced

1969
2.5 MMTPA Manali Refinery completed in record time of 27 months, with first **Suplhur Recovery Unit in India**

1984
India's **second Paraffin Wax Plant**

1987
First to implement **Advance Process Control**

1989
First **Distribution Control System** in India

1991
Asia's first and world's second Sewage Reclamation Plant

1996
First Refinery (CBR) with combined Crude & Gas Processing

2007
First Wind Mill farm among all PSUs

2009
First **PSU Refinery** to adopt Desalination Technology

2010
First to convert **SRR to Continuous Catalyst Reformer**

2017-19
- **100% BS-IV** supply in Jan'17 and shifting gears progressively to BS-VI in Dec'19
- **NATO Grade HFHSD**

2020
First to produce **fuel for hypersonic long range cruise missile**

2021
First to produce **Rocket Propellant Fuel**

2022
First **Digital Control Tower Based Project Monitoring** introduced with a leading global consultant

Board of Directors

Shrikant Madhav Vaidya
Non-Executive Chairman
From: 01/07/2020

Arvind Kumar
Managing Director
From: 27/08/2021

Rajeev Ailawadi
Director (Finance)
From: 08/05/2018
MD (In-charge)
From: 01/02/2021 to 26/08/2021

S. Krishnan
Director (Operations)
From: 01/03/2020

H. Shankar
Director (Technical)
From: 01/10/2020

Sukla Mistry
Nominee Director
(Indian Oil Corporation Limited)
From: 16/11/2021

Deepak Srivastava
Nominee Director
Deputy Secretary (OMC),
MoP&NG, GoI
From: 10/08/2021

Babak Bagherpour
Nominee Director -
Naftiran Intertrade Co. Ltd.
From: 27/03/2019

M. B. Dakhili
Nominee Director -
Naftiran Intertrade Co. Ltd.
From: 23/01/2017

Amitabh Mathur
Independent Director
From: 29/07/2019
to 28/07/2022

Myneni Narayana Rao
Independent Director
From: 29/07/2019
to 28/07/2022

Sobhana Surendran
Independent Director
From: 31/10/2019

Ravi Kumar Rungta
Independent Director
From: 16/11/2021

Dr. C. K. Shivanna
Independent Director
From: 16/11/2021

J. T. Venkateswarlu
Chief Vigilance Officer
From: 27/12/2018

Audit Committee	**Nomination and Remuneration Committee**	**CSR & SD Committee**	**Board Project Committee**	**Stakeholders Relationship Committee**	**Risk Management Committee**
Chairperson	Chairperson	Chairperson	Chairperson	Chairperson	Chairperson
Member	Member	Member	Member	Member	Member

Corporate Executives

P. Jeevankumar
CGM-Projects &
Engineering Services

T. N. K Bapiraju
CGM - Technical

G. Premchand
CGM-Human Resources

S. Venkateswaran
CGM - Finance

S. Sadagopan
CGM - Logistics

R. V. Anand
CGM - 9MMTPA-CBR

P. Kannan
CGM - Operations

P. Shankar
Company Secretary

Super-annuation from 1st April, 2021

S. Shanmugasundaram
CGM (Maintenance & P&U)

Shankar V.
CGM (Proj-
CBR 9MMTPA)

Subrahmanyam P.
CGM (Corp Plng)

Panneerselvam B.
CGM (Technical)

Tamizh Muthalvan M
CGM (HR)

Creating Societal Value

CPCL firmly believes that Corporate Social Responsibility (CSR) is one of the important pillars for sustainable development for all stakeholders. We are responsive to the community needs, laying out a detailed action plan for fulfilment of large social goals.

Focus areas:

- Healthcare
- Swachh Bharat
- Education
- Rural Development Initiative
- Women Empowerment
- Disaster Management
- Sports & Culture

Healthcare

- We are running four Community Health Centres at Manali, Periyasekkadu, Thirunillai and Muttam to provide free outpatient services to the public
- Mobile Medical Unit (MMU) covering 11 villages in Ramanathapuram and 13 villages in Nagapattinam district are in operation to provide free outpatient services to the community people
- Provision of Nutritious Meal to Special children studying in NIEPMD (Nation Institute for Empowerment of Persons with Multiple Disabilities)
- We have conducted general Medical Camps, cancer screening and various Awareness camps
- We have supplied equipment like biochemistry analyzer, ventilators, multi-para monitors, etc., to Government hospitals

Support During COVID Pandemic

The COVID-19 pandemic has led to an unprecedented loss worldwide and presents a challenge to public health, food systems and the world of work. The economic and social disruption caused by the pandemic is devastating. To combat the same and support TN Govt. in the fight against the COVID-19 pandemic, temperature-controlled Cold Chain Equipment has been donated to Govt. of TN, jointly with IOCL to refrigerate the vaccines and to distribute them safely to various Hospitals.

Spreading the helping hand beyond Tamil Nadu, CPCL has extended its assistance to set up 3 no. of 500 LPM PSA plants for Govt. Hospital in Kerala and 3 no. of 1000 LPM PSA plants of Govt. Hospital in Karnataka to fight against COVID spread, thereby humbly serving the country when it needed the most. CPCL also joined hands with other PSUs like GAIL, ONGC, etc., in the fight against pandemic by supplying oxygen cylinders, oxygen concentrators and in running community medical centres at various places in & around Chennai and also in other states.

To combat the emergency situation raised during the second wave of COVID pandemic, a make shift COVID CARE centre was set up at R&D in Manali Refinery premises, with continuous supply of medical oxygen from our oxygen plant. The COVID care centre with 60 beds facility & continuous supply of medical oxygen facility was handed over to Greater Chennai Corporation. The facilities were reviewed by the Commissioner, Greater Chennai Corporation, wherein he expressed his sincere compliments to CPCL in making the arrangements possible in a very short span of time.

Activities were undertaken to support the government in the wake of COVID-19 emergency by contributing to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) / State Disaster Management Authority i.e, Chief Minister's Public Relief Fund (CMPRF) and distributed relief materials & facemasks to the poor and needy people in Chennai.

CPCL has conducted various vaccination camps for the benefit of its employees and their family, contract workers as well as public in and around Manali Industrial Belt.

Swachh Bharat

- Construction of Public Utilities in Govt hospitals, Govt Institutions, Colleges, etc.,
- Construction of toilets in Schools through Sarva Shiksha Department
- School toilet maintenance in and around the refinery area in Chennai
- Creating awareness about various Swachh Bharat activities, etc.,
- Construction of Source Segregation Sheds for waste management, through Chennai Corporation / Installed Plastic Reverse Vending Machines in various public gathering locations in Chennai
- Contribution for building IHHLs through Chennai Corporation / Execution partner of Villages Adoption Project, M/s IIT
- Provision of Drinking water facility to villages
- Support extended to M/s Central Leather Research Institute towards preparation of bio-compost from animal hair waste and demonstration of bio-compost with farmers for organic farming in Thiruvallur and Ramanathapuram district through M/s National Agro Foundation
- Procurement and distribution of sanitary items to school students
- To sustain and improve the sanitation facility in iconic places, new toilet blocks were provided at Arignar Anna Zoological Park (AAZP), largest zoological park in India

Education

CPCL considers education as the most powerful weapon as it provides a deeper knowledge and develop functional members of society with the right kinds of values.

- CPCL could comfortably proclaim as a pioneer in skill development, running its own polytechnic college to impart high quality industry based technical knowledge so as to develop competency skills. This polytechnic college is the first BSI Certified ISO 21001:2018 Polytechnic college in Tamil Nadu.
- Further, CPCL has also established and running an education trust for the benefit of the poor and needy surrounding its Refinery at Manali, Chennai.
- Contributed to Graphic Skills development of youth, tailoring skills for needy girls / women and Computer skills for the blind
- Supported Government Schools by providing furniture and computers
- Scholarships to meritorious children
- Contributed to Apprenticeship training to benefit the poor and needy youth surrounding the Refinery by imparting practical training and develop industry ready skilled manpower with an objective to improve the livelihood

Rural Development Initiative

- We have adopted 3 villages in Nagapattinam district to benefit 1700 families to improve their social, environmental and economic gaps. Activities executed through M/s IIT Madras with provision of Solar Street Lights / Lanterns, Solid Waste Management, Safe Drinking Water Supply, Rainwater Harvesting, Individual Household Toilet cum Bathroom complex, Pedagogy activity, Ponds rejuvenation, skill training and school & anganwadi infrastructure.
- Construction of Community hall at Gopurajapuram, Nagapattinam and Kadambattur Panchayat Union
- Construction of barrier free Utility area for individuals with multiple disabilities (NIEPMD)
- Construction of Fountain under Namakku Nammae Thittam through Greater Chennai Corporation at MMDA park, Mathur & truck parking Yard Madhavaram, Chennai

Women Empowerment

- We extended support to M/s. ICAR-Central Institute of Brackish Water Aquaculture towards Women Empowerment in Coastal Villages of Chennai and Nagapattinam thru providing skills on Brackish Water Aquaculture.

Disaster Management

- Relief material (i.e. Grocery items like rice, oil, sugar etc.) were provided to benefit the underprivileged, socially & economically backward people living in the North Chennai. These relief materials were provided to support the livelihood of the people who were affected due to the continuous rainfall. The relief materials were handed over to the Hon'ble Member of Parliament for distribution to the North Chennai people.

Sports & Culture

- Supported the National Sports Development Fund (NSDF) and Sports Authority of India (SAI)
- Sponsored the conduct of National / District level sports tournament like Carrom, Badminton, Volleyball, Special Olympics Football Association, etc.,

CPCL's initiatives in action at district level schools

Corporate Information

Registered office

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

Refinery

Manali Refinery, Manali,
Chennai – 600 068.
Phone: 044-2594 4000

Registrar & transfer agent

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

Principal Banker

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

Public information officer

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

Compliance Officer

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

Statutory auditors

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

Cost auditors

Vivekanandan Unni & Associates
1-A, Vedammal Avenue,
Dr. Subaraya Nagar Main Road,
Behind Petrol Bunk, Kodambakkam, Chennai – 600 024.
Mobile No. 98411 50811 / 94459 28279
E-mail : vforvivek@yahoo.co.in
govindanunniparakkat@yahoo.co.in

Secretarial auditor

M/s. A.K. Jain & Associates
No.2 (New No. 3), Raja Annamalai Road
First Floor, Purasaiwalkam, Chennai – 600 084
Tel.: 044 2665 1224

Stock exchanges

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

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

Debenture trustees

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

Beacon Trusteeship Limited
4C & D Siddhivinayak Chambers,
Gandhi Nagar, Opp MIG Cricket Club
Bandra (East), Mumbai 400 051
Phone : 022-26558759
Email : contact@beacontrustee.co.in
Website: https://beacontrustee.co.in

Ten Years Profile

WHAT WE OWE AND WHAT WE OWN

(₹ in Crore)

	Pre-Ind AS			2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	2012-13	2013-14	2014-15							
What We Owe										
Equity Share Capital	149	149	149	149	149	149	149	149	149	149
Reserves	1877	1877	1506	2212	3165	3708	3161	1043	1276	2641
Networth	2026	2026	1655	2361	3314	3857	3310	1192	1425	2790
Preference Share Capital	-	-	-	1042	1080	1080	547	572	606	639
Borrowings	5906	5906	5399	3567	4501	3411	6121	8126	8561	8584
Deferred Tax Liability	707	707	-	-	24	206	121	-	104	563
Total	**8639**	**8639**	**7054**	**6970**	**8919**	**8554**	**10099**	**9890**	**10696**	**12576**
What We Own										
Fixed Assets	8056	8056	8176	4379	4456	6829	8341	8889	9408	9635
Less: Depreciation & Impairment	3499	3499	4106	265	578	940	1387	1876	2311	2710
Fixed Assets (Net WDV)	4557	4557	4070	4114	3878	5889	6954	7013	7097	6925
Intangible Assets	48	48	49	6	7	28	28	28	55	56
Less: Amortisation	37	37	42	1	2	3	5	6	10	13
Intangible Assets (Net WDV)	11	11	7	5	5	25	23	22	45	43
Capital WIP	176	176	840	1753	2843	1439	1221	1603	1553	1210
Investments	24	24	25	12	12	12	12	12	12	12
Deferred Tax Asset	-	-	-	-	-	-	-	934	-	-
Assets held for transfer	-	-	-	-	-	-	-	-	-	593
Working Capital	3871	3871	2112	1085	2181	1190	1889	306	1989	3793
Total	**8639**	**8639**	**7054**	**6970**	**8919**	**8554**	**10099**	**9890**	**10696**	**12576**

FINANCIAL INDICATORS

(₹ in Crore)

	Pre-Ind AS			2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	2012-13	2013-14	2014-15							
Debt Equity Ratio (as per Companies Act)	2.91	3.25	3.26	1.05	1.02	0.69	1.59	4.60	4.22	2.50
Earnings per share (₹)	(118.65)	(20.40)	(2.62)	49.82	69.15	61.31	(14.33)	(139.52)	15.95	90.15
Profit After Tax to Average Networth (%)	(60.72)	(16.21)	(2.31)	36.94	36.29	25.46	(5.95)	(92.30)	18.16	63.70
Dividend (%)	-	-	-	40	210	185	-	-	-	20
Dividend Payout (%)	-	-	-	8.03	30.37	30.18	-	-	-	2.22

WHAT WE EARNED AND WHAT WE SPENT

(₹ in Crore)

	Pre-Ind AS			2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	2012-13	2013-14	2014-15							
WHAT WE EARNED										
Income										
Turnover	46842	53924	47878	34954	40586	44135	52177	48624	41814	60402
Interest	12	14	26	16	16	19	29	18	14	14
Miscellaneous Receipts	29	45	29	38	46	73	54	88	178	82
Change in inventories	205	72	(1321)	(209)	(105)	607	410	(990)	892	1227
Prior period Income / (Expense)	(1)	13	(4)	-	-	-	-	-	-	-
Sub-Total	**47087**	**54068**	**46608**	**34799**	**40543**	**44834**	**52670**	**47740**	**42898**	**61725**
WHAT WE SPENT										
Expenditure										
Raw Materials	42709	47469	39558	23107	24442	29728	39634	36698	20013	40108
Excise Duty	3996	4583	6010	9125	12916	11661	10863	11533	19454	17099
Manufacturing Expenses	296	306	277	310	315	322	448	447	345	415
Employee Benefits Expense	315	292	339	357	513	582	461	508	565	555
Other Expenses	625	791	536	515	378	418	688	633	401	801
Finance Costs	469	568	404	352	273	321	420	413	375	412

(₹ in Crore)

	Pre-Ind AS			2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	2012-13	2013-14	2014-15							
Depreciation and Amortisation	375	390	226	274	279	340	453	468	466	504
Impairment on Property,Plant & Equipment / CWIP	-	-	-	-	62	4	1	54	2	0
Sub-Total	**48785**	**54399**	**47350**	**34040**	**39178**	**43376**	**52968**	**50754**	**41621**	**59894**
Profit Before Tax	**(1698)**	**(331)**	**(742)**	**759**	**1365**	**1458**	**(298)**	**(3016)**	**1277**	**1832**
Provision for Taxation	69	(27)	(703)	17	335	545	(85)	(938)	1039	489
Profit After Tax	**(1767)**	**(304)**	**(39)**	**742**	**1030**	**913**	**(213)**	**(2078)**	**238**	**1342**
Other Comprehensive Income	**-**	**-**	**-**	**(2)**	**(6)**	**6**	**(2)**	**(40)**	**(5)**	**23**
Total Comprehensive Income	**(1767)**	**(304)**	**(39)**	**740**	**1024**	**919**	**(215)**	**(2117)**	**232**	**1366**
Dividend including Dividend Distribution Tax	-	-	-	72	376	332	-	-	-	30

Details of Significant Changes of 25% or more as compared to immediately previous FY in the following financial ratios

Ratios	31-Mar-22	31-Mar-21	Variation	Reasons for variation (> 25%)
(a) **Current Ratio,** [Current Assets/ Current Liabilities]	**0.72**	0.54	33%	Refer Note (iii)
(b) **Debt-Equity Ratio,** [Total Debt/ Equity]	**3.31**	6.42	49%	Refer Note (i)
(c) **Debt Service Coverage Ratio** [Profit after Tax+ Finance Cost+ Depreciation]/ [Finance Costs+ Principal Repayment (Long Term)]	**2.59**	1.22	113%	Refer Note (i)
(d) **Return on Equity Ratio (%)** Profit after Tax/Equity	**48.11%**	16.68%	189%	Refer Note (i)
(e) **Debtors Turnover- in days** [Average Trade Receivable | Sales (Net of Discount) in days] (Net of Excise Duty)	**1.92**	2.63	27%	Refer note (ii)
(f) **Net capital Turnover- in days** [(Current Assets- Current Liabilities) | Sales (Net of Discount) in days] (Net of Excise Duty)	**(27.41)**	(69.79)	61%	Refer note (iii)
(g) **Net profit Margin Ratio (%)** [Profit after Tax/ (Revenue from Operations- Excise Duty)	**3.11%**	1.05%	196%	Refer Note (i)
(h) **Operating Profit Margin (%)** [(Profit before Exceptional Item and Tax+ Finance Costs-Other Income)/ (Revenue from Operations- Excise Duty)]	**5.15%**	6.84%	25%	Refer Note (i)

Note:

(i) The profitability during the current year is significantly higher than the Previous year, mainly on account of better operating performance and improvement in Product cracks. Higher profitability has contibuted to higher accretion to networth.

(ii) Mainly due to increase in Turnover during the year on account of higher capacity utilistaion. Moreover, the capacity utilisation was adversely impacted during the FY 2020-21, due to Covid Situation.

(iii) Mainly on account of surge in international prices of crude and products.

Chennai Petroleum Corporation Limited
(A Govt. of India Enterprise and 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/ investors@cpcl.co.in
Tel: 044-24349833 / 24346807
CIN: L40101TN1965GOI005389

NOTICE

Notice is hereby given that the 56th Annual General Meeting of the members of CPCL will be held on Tuesday, the 23rd August, 2022 at 3:30 pm through Video Conference (VC)/ Other Audio Visual Means (OAVM), to transact the following businesses. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company at No.536, Anna Salai, Teynampet, Chennai-600018, which shall be the deemed venue of the AGM.

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Financial Statement of the Company (Standalone and Consolidated) for the period from 1st April 2021 to 31st March 2022, together with the Directors' Report and the Auditor's Report.
2. To declare dividend on Cumulative Preference shares for the year 2021-22 and previous years.
3. To declare dividend on Equity Shares for the year 2021-22
4. To appoint a Director in place of Mr. S.M. Vaidya (DIN:06995642), who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. Rajeev Ailawadi (DIN:07826722), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESSES:

6. APPOINTMENT OF Mr.ARVIND KUMAR (DIN: 09224177) 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.Arvind Kumar (DIN 09224177) who was appointed as an Additional Director and designated as Managing Director by the Board of Directors with effect from 27.08.2021 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 Managing Director of the Company not liable to retire by rotation."

7. APPOINTMENT OF MS. SUKLA MISTRY (DIN 09309378) 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, Ms.Sukla Mistry (DIN 09309378) who was appointed as an Additional Director by the Board of Directors with effect from 16.11.2021 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director liable to retire by rotation."

8. APPOINTMENT OF DR.C.K.SHIVANNA (DIN 09398521) AS AN INDEPENDENT DIRECTOR

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

"RESOLVED that pursuant to the provisions of Section 161(1), 149 and 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 , Dr.C.K.Shivanna (DIN 09398521)who was appointed as an Additional Director and designated as an Independent Director by the Board of Directors with effect from 16.11.2021 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."

9. APPOINTMENT OF MR. RAVI KUMAR RUNGTA (DIN 00993270) AS AN INDEPENDENT DIRECTOR

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

"RESOLVED that pursuant to the provisions of Section 161(1), 149 and 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. Ravi Kumar Rungta (DIN 00993270) who was appointed as an Additional Director and designated as an Independent Director by the Board of Directors with effect from 16.11.2021 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."

10. RATIFICATION OF REMUNERATION OF COST AUDITOR FOR THE YEAR 2022-23

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

"RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 2,75,000/- (Rupees Two lakh Seventy Five thousand only) plus applicable taxes and out of pocket expenses if any, to conduct the audit of cost accounts maintained by the company for the financial year 2022-23 payable to M/s. Vivekanandan Unni and Associates, Cost Accountants, Chennai, the cost auditor of the company be and is hereby ratified"

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

(P.Shankar)
Company Secretary
Regd. Office:
536, Anna Salai,
Teynampet, Chennai 600 018.

Date : 20.06.2022
Place : Chennai

Notes for e-AGM Notice

1. Pursuant to the General Circular nos. 14/2020, 17/2020, 20/2020 and 02/2021 issued by the Ministry of Corporate Affairs ("**MCA**") and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the Securities and Exchange Board of India ("**SEBI**") (hereinafter collectively referred to as ("**the Circulars**"), companies are allowed to hold AGM through VC/OAVM, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.

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

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

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

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

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

      Corporate / Institutional members are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email ID: lbandco.cs@gmail.com, with a copy marked to evoting@kfintech.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "CPCL, 56th Annual General Meeting".

      URL for eVoting website: https://evoting.kfintech.com/

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

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

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

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

9. The cut-off date shall be Wednesday, the 17th August, 2022 for the purpose of determining the eligibility of shareholders to participate in the 56th AGM.

10. A preference dividend of 6.65% on the paid up outstanding preference share capital of the Company, representing ₹ 0.665 per preference share amounting to ₹ 33.25 crore for the year 2021-22 and ₹ 105.76 crore being the cumulative preference dividend for the previous years will be paid to IOCL , as per the terms and conditions of the offer document.

11. The Board of Directors of the Company has recommended a equity dividend of 20% on the paid up share capital of the company corresponding to ₹ 2.00 per share. The Company has fixed Wednesday, the 10th August, 2022 **as the 'Record Date'** for determining entitlement of members to receive the equity dividend for the year ended March 31, 2022, if approved, at the AGM. The dividend, once approved by the members in the AGM, will be paid to the eligible shareholders within the stipulated period of 30 days of declaration.

12. The dividend will be paid through electronic mode to those members whose updated bank account details are available. For members whose bank account details are not updated, dividend warrants / demand drafts will be sent to their registered address. To avoid delay in receiving dividend, members are requested to register / update their bank account details.

13. Members may note that the Income-Tax Act, 1961, as amended by the Finance Act, 2020, mandates that

dividends paid or distributed by a Company is taxable in the hands of members. The Company shall therefore be required to deduct tax at source("**TDS**") at the time of making the payment of dividend. In order to enable us to determine the applicable TDS rate, members are requested to submit the relevant documents on https://ris.kfintech.com/form15/forms.aspx or before Monday the 22nd August, 2022. The detailed communication regarding TDS on dividend is provided on the link: https://cpcl.co.in/investors/financials/exchange-intimations/. Kindly note that no documents in respect of TDS would be accepted from members after 22nd August, 2022.

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

15. 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.

16. Non-resident Indian members are requested to inform the RTA, M/s. KFin Technologies Limited (Formerly known as KFin Technologies Private Limited), Hyderabad immediately about:

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

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

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

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

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

18. Securities and Exchange Board of India (SEBI), has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in Electronic form are requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in Physical form are requested to submit their PAN details, email ids and mobile number to M/s. KFin Technologies Limited (Formerly known as KFin Technologies Private Limited), the Share Transfer Agents of the Company.

19. As per the provisions of Section 124(5) of the Companies Act 2013, the dividends which remain unpaid/unclaimed for a period of 7 years is to be transferred to the Investor Education and Protection Fund. Accordingly, the Company has transferred all unclaimed dividend declared upto the Financial year 2011-12, to Investor Education and Protection Fund (IEPF) established by the Central Government. Since no dividend was declared for the FY 2013-14, no unclaimed dividend needs to be transferred to IEPF during 2021-22.

20. Further, Section 124(6) of the Companies Act, 2013 read with rules made thereunder provide that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of Investor Education and Protection Fund. The Company had transferred the underlying shares in respect of which dividend for the year 2011-12 had remained unclaimed for a consecutive period of 7 years to IEPF in November 2019. Since no dividend was declared for the FY 2013-14, no shares needs to be transferred to IEPF during 2021-22.

    The details of such shares transferred to IEPF were also hosted in the website of the Company www.cpcl.co.in

    It would be noted that no dividend has been declared by the company for the year 2014-15 and hence no dividend amount and underlying shares remain to be transferred upon completion of 7 years, in FY 2022-23, to IEPF. No dividend was declared for the Financial year 2008-09, 2012-13 to 2014-15 and 2018-19 to 2020-21. The dividend for the Financial year 2015-16, 2016-17 and 2017-18 which remains unclaimed for a period of 7 years would be transferred to the IEPF on respective due dates. The members, who have not encashed their dividend warrants so far, for the Financial years 2015-16, 2016-17 and 2017-18 may write to the RTA. M/s. KFin Technologies Limited (Formerly known as KFin Technologies Private Limited), Hyderabad or at the registered office of the Company for claiming the unpaid dividend.

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

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

22. 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 56th Annual General Meeting.

    The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and other relevant documents will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM **i.e. 23.08.2022**. Members seeking to inspect such documents can send an email to investors@cpcl.co.in/shankarp@cpcl.co.in/sriramas@cpcl.co.in.

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

    However, as per "MCA Circulars" and SEBI Circular dated 12.05.2020, 13.01.2021 and 15.01.2021 Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those members whose email address is registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.cpcl.co.in and in websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFIN Technologies Ltd viz., www.kfintech.com and www.ris.kfintech.com

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

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

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

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

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

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

6. Members who need assistance before or during the AGM, can contact RTA viz., M/s. KFin Technologies Ltd on https://evoting.kfintech.com/ or Mr. Mohsin, Senior Manager, KFin Technologies Ltd at 040-67161562/9177401094.

7. **AGM Questions prior to e-AGM:** Shareholders who would like to express their views/ask questions during the meeting may log into https://emeetings.kfintech.com/ and click on "Post your Questions" may post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that, members questions will be answered only, the shareholder continue to hold the shares as of cut-off date benpos. The posting of the questions shall commence on **Tuesday, the 16th August, 2022 (9:00 AM) and close on Thursday, the 18th August, 2022 (5:00 PM)**.

8. **Speaker Registration during e-AGM session**: Members may log into https://emeetings.kfintech.com/ and click on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit. The speaker registration shall commence on **Tuesday, the 16th August, 2022 (9:00 AM) and close on Thursday, the 18th August, 2022 (5:00 PM)**.

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

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

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

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

26. REMOTE E-VOTING THROUGH ELECTRONIC MEANS

In terms of the provisions of section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and Regulation 44 of the Listing Regulations, the Company is providing facility of remote e-voting to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on **Wednesday, the 17th August, 2022, being the cut-off date** fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by KFin or to vote at the e-AGM. Person who is not a member as on the cut-off date should treat this Notice for information purposes only.

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

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

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

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

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

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

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

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

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

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

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

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

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

xii. **Members can cast their vote online from Friday, the 19th August, 2022 (9:00 AM) till Monday, the 22nd August, 2022 (5:00 PM).** Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked.

xiii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of https://evoting.kfintech.com/public/Faq.aspx or call KFin on 1-800-309-4001 (toll free).

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "**Login**" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login, the user will also be able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KFINTECH, LINK INTIME, CDSL. Click on e-Voting service provider name to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/ EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

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

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

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

27) 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.

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

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

30) 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.

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

32) Members are requested to note that our RTA , KFINTECH has a mobile app named 'KPRISM' and a website https://kprism.kfintech.com/ for the members holding shares in physical form. Members can download this android mobile application from play store and view their portfolios serviced by KFINTECH. In addition, members can also visit the Investor Service Center (ISC) webpage, https://ris.kfintech.com/clientservices/isc/default.aspx and benefited from the list of services that can be executed from the page like Post or Track a query, Upload Tax exemptions forms , View the Demat / Remat request, Check the dividend status and Download the required forms as per the Common Simplified Norms for Processing Investor Requests (SEBI Circular dated 03 Nov 2021).

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

Item No. 6

Mr. Arvind Kumar , was appointed as an Additional Director with effect from 27.08.2021. As per the provisions of Section 161 of the Companies Act, 2013, Mr. Arvind Kumar will hold office only upto the date of the 56th Annual General Meeting of the Company.

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

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

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

Item No.7

Ms.Sukla Mistry was appointed as an Additional Director with effect from 16.11.2021. As per the provisions of Section 161 of the Companies Act, 2013, Ms.Sukla Mistry will hold office only upto the date of the 56th Annual General Meeting of the Company.

A Notice under section 160 of the Companies Act, 2013 has been received proposing the appointment of Ms. Sukla Mistry as a Director under the Companies Act, 2013.

Ms.Sukla Mistry 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 Ms.Sukla Mistry .

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

Item No. 8

Dr.C.K.Shivanna, was appointed as an Additional Director and designated as an Independent Director with effect from 16.11.2021. As per the provisions of Section 161 of the Companies Act, 2013, Dr.C.K.Shivanna will hold office only upto the date of the 56th Annual General Meeting of the Company.

A Notice under section 160 of the Companies Act, 2013 has been received proposing the appointment of Dr.C.K.Shivanna, as a Director under the Companies Act, 2013.

Dr.C.K.Shivanna 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 Dr.C.K.Shivanna.

The Company has received a declaration from Dr.C.K.Shivanna 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. Dr.C.K.Shivanna 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, Dr.C.K.Shivanna fulfils the criteria of independence as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is independent of the Management.

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

Item No. 9

Mr.Ravi Kumar Rungta, was appointed as an Additional Director and designated as an Independent Director with effect from 16.11.2021. As per the provisions of Section 161 of the Companies Act, 2013, Mr.Ravi Kumar Rungta will hold office only upto the date of the 56th Annual General Meeting of the Company.

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

Mr.Ravi Kumar Rungta 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.Ravi Kumar Rungta.

The Company has received a declaration from Mr.Ravi Kumar Rungta 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.Ravi Kumar Rungta 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, Ravi Kumar Rungta fulfils the criteria of independence as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is independent of the Management.

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

Item No. 10

The proposal for appointment of M/s.Vivekanandan Unni and Associates, Cost Accountants, Chennai as the Cost Auditor of the Company for the Financial Year 2022-23 at a remuneration of ₹ 2,75,000/- plus applicable taxes and out of pocket expenses, if any, to conduct the audit of cost accounts maintained by the company was recommended by the Audit Committee and the Board on 24.01.2022.

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

Hence the present resolution for remuneration of ₹ 2,75,000/- plus applicable taxes and out of pocket expenses, if any, to conduct the audit of cost accounts maintained by the company for the Financial Year 2022-23 payable to M/s.Vivekanandan Unni and Associates, Cost Accountants , Chennai, the cost auditors of the company is proposed for ratification by the members.

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

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

BRIEF RESUME OF THE DIRECTORS OF THE COMPANY, SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 56TH ANNUAL GENERAL MEETING

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

   In IOCL, Mr.S.M.Vaidya , is the member of Nomination and Remuneration Committee and Chairperson of Risk Management Committee. He is not holding shares in CPCL. Inter-se relationship between Directors is none.

Number of Board Meeting attended during 2021-22-	6
Details of Directorships in other companies-	5
Membership / Chairmanship in the Committees of other companies-	2
No. of Shares held in the company as on date-	Nil
Relationship between Directors and Key Managerial Personnel-	None

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

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

Number of Board Meeting attended during 2021-22-	6
Details of Directorships in other companies-	-
Membership / Chairmanship in the Committees of other companies	-
No. of Shares held in the company as on date-	Nil
Relationship between Directors and Key Managerial Personnel-	None

3) Shri.Arvind Kumar , born on 17.10.1967, was appointed as Managing Director effective 27.08.2021. He holds a Bachelor's Degree in Mechanical Engineering and Master's Degree in Business Administration with specialization in Operations Management. He has got more than three decades of experience in the areas of Engineering, Project Management, Material and Contract Management and in Plant Operations and Maintenance.

   Mr.Arvind Kumar is the Chairman of Risk Management Committee and member of Planning and Projects Committee. He is not holding shares in the Company. Inter-se relationship between Directors is none.

Number of Board Meeting attended during 2021-22-	3
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-	Nil
Relationship between Directors and Key Managerial Personnel-	None

4) Ms. Sukla Mistry born on 08.04.1964 , was appointed on the Board effective 16.11.2021 . She is a Metallurgical Engineer having more than 35 years' experience in various disciplines of Refineries.

   In CPCL , she is the Chairman of Board Project Committee and member of Nomination and Remuneration Committee and Risk Management Committee. In IOCL, she is a member of Risk Management Committee. She is not holding shares in CPCL. Inter-se relationship between Directors is none.

Number of Board Meeting attended during 2021-22-	1
Details of Directorships in other companies-	3
Membership / Chairmanship in the Committees of other companies-	1
No. of Shares held in the company as on date-	Nil
Relationship between Directors and Key Managerial Personnel-	None

5) Shri. Ravi Kumar Rungta, born on 16.08.1972, was appointed on the Board effective 16.11.2021. He holds a Bachelor's Degree in Commerce from Calcutta University. He has more than 25 years of experience in Construction Industry. Presently he is the Director of M/s. Ravi Realcons Pvt. Ltd.

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

Number of Board Meeting attended during 2021-22-	1
Details of Directorships in other companies-	1
Membership / Chairmanship in the Committees of other companies-	1
No. of Shares held in the company as on date-	Nil
Relationship between Directors and Key Managerial Personnel-	None

6) Dr. C.K.Shivanna born on 25.07.1967 , was appointed on the Board effective 16.11.2021. He holds a Post Graduate Degree in Medicine from Manipal Academy of Higher Education. He is the owner of Shiva Health Care.

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

Number of Board Meeting attended during 2021-22-	1
Details of Directorships in other companies-	-
Membership / Chairmanship in the Committees of other companies-	1
No. of Shares held in the company as on date-	Nil
Relationship between Directors and Key Managerial Personnel-	None

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 : 20.06.2022
Place : Chennai

Report on Corporate Governance: 2021-22

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

CPCL believes that Good Corporate Governance is about Commitment to the Values and Ethics in the conduct of the day-to-day business. The Company believes that good corporate governance emerges from the application of the best management practices and compliance with the laws. The Company places great emphasis on empowerment and integrity of its employees, safety of the employees and communities surrounding its refineries, fairness and transparency in its decision-making process, ethical dealing with all the stakeholders.

CPCL's Corporate Governance framework is reflected in the following policies formulated by the Company:

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

2. BOARD OF DIRECTORS:

a) COMPOSITION OF THE BOARD OF DIRECTORS:

The Board of CPCL comprises Executive (Whole-Time) Directors, Non- Executive (Part-Time) Government Nominee Directors, Non-Executive (Part-Time) Independent Directors and Directors representing the Promoters such as Indian Oil Corporation Limited and Naftiran Inter-trade Company Ltd. The Independent Directors are eminent persons with proven record in diverse areas like Engineering, Projects, Real Estate, Medicine, Business Administration, Public Affairs, and so on.

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

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

b) As on 31.03.2022, CPCL Board comprises the following categories of Directors:

One Non-Executive Chairman, who is also the Chairman of Indian Oil Corporation Limited (the Holding Company); Four whole-time Functional Directors, such as Managing Director, Director (Finance), Director (Operations) and Director (Technical); Director (Refineries) of Indian Oil Corporation Limited, representing holding company; One Director, representing Ministry of Petroleum and 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 Five Non-Functional Part-Time Independent Directors including One woman Independent Director.

The details are as under:

Sl. No.	Name and DIN	Category	Designation	Date of Appointment	Tenure upto
1.	S.M. Vaidya 06995642	Non- Executive	Non-Executive Chairman	01.07.2020	31.08.2023
2.	Arvind Kumar 009224177	Whole-time Director	Managing Director	27.08.2021	26.08.2026
3.	Rajeev Ailawadi 07826722	Whole-time Director	Director (Finance)	08.05.2018	28.02.2023
4.	S.Krishnan 08691391	Whole-time Director	Director (Operations)	01.03.2020	31.07.2023
5.	H. Shankar 08845247	Whole-time Director	Director (Technical)	01.10.2020	30.09.2025
6.	Sukla Mistry 009309378	Non- Executive Director	Nominee of IOCL	16.11.2021	Till further orders from IOCL
7.	Deepak Srivastava 09275923	Non- Executive Director	Government Nominee Director	10.08.2021	For a period of 3 years on co-terminus basis or until further orders from MOPNG whichever is earlier.
8.	Mohammad Bagher Dakhili 07704367	Non- Executive Director	Nominee of NICO	23.01.2017	Till further orders from NICO
9.	Babak Bagherpour 08341090	Non- Executive Director	Nominee of NICO	27.03.2019	Till further orders from NICO
10.	Amitabh Mathur 07275427	Non- Executive Director	Independent Director	29.07.2019	3 years
11.	Myneni Narayana Rao 00577494	Non- Executive Director	Independent Director	29.07.2019	3 years
12.	Sobhana Surendran 08599985	Non- Executive Director	Independent Director	31.10.2019	3 years
13.	Ravi Kumar Rungta 00993270	Non- Executive Director	Independent Director	16.11.2021	3 Years
14.	Dr. C.K. Shivanna 09398521	Non- Executive Director	Independent Director	16.11.2021	3 Years
15.	Manoj Sharma 08777977	Non- Executive Director	Nominee of IOCL	24.07.2020	09.11.2021
16.	Sukh Ram Meena 09011328	Non- Executive Director	Government Nominee Director	28.12.2020	05.08.2021
17.	D. Duraiganesan 08200628	Non- Executive Director	Independent Director	14.08.2018	13.08.2021

Out of the total number of Fourteen Directors as on 31.03.2022, Ten Directors were Non-Executive Directors. Thus the Company meets the requirement of the number of Non-Executive Directors being not less than 50% of the Board of Directors of the Company as prescribed by SEBI under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the Regulation 17 of the SEBI (LODR), if the Non-Executive Chairman is a Promoter of the Company or is related to any promoter or person occupying Management positions at the Board level or at one level below the Board, atleast one-half of the Board of Directors 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 five (05) Independent Directors including One woman Independent Director as against the requirement of 9 in line with the minimum requirement of one (01) woman

Director. CPCL being a Government Company under the administrative control of Ministry of Petroleum and Natural Gas, the power to appoint Directors, including Independent Directors, vests with the Government of India. The appointment of additional Independent Directors is under the consideration of Government of India.

None of the Directors hold office in more than ten Public Companies. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies. All Directors are also in compliance with the limit on Independent Directorships of listed companies as prescribed under Regulation 25(1) of the Listing Regulations. 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 (LODR) and are independent of the Management.

In line with the amendment to Companies Accounts Rules 2014, a para on expertise, experience and proficiency of the Independent Directors appointed during the year has been added in the Directors Report 2021-2022.

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

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

CPCL being a Government Company, all the Directors on its Board (except nominees of Naftiran Intertrade Company Ltd. and Indian Oil Corporation Ltd.) such as Functional Directors, Government Directors and Independent Directors are selected and appointed by the Government as per a well laid down process for each category of Director. The list of core skills, expertise and competence required for the Board to function effectively, in context of the Company's business, forms an integral part of the Government's process for selection of the Directors. In view thereof, the Board of CPCL has not identified any such core skills or expertise or competence required by a Director as required under SEBI (LODR). However, the Board of CPCL comprises Directors having diverse experience, qualifications, skills, expertise, and so on, which are aligned with the Company's business, overall strategy, values and culture etc.

c) BOARD MEETINGS:

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

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

d) INFORMATION PLACED BEFORE THE BOARD:

The agenda placed before the Board inter-alia includes all statutory, other significant and material information including the information mentioned in Regulation 17(7) read with Part A of Schedule II of SEBI (LODR) and Annexure IV of the Guidelines on Corporate governance issued by Department of Public Enterprises for Government Companies.

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

e) Six (06) Board meetings were held during the year 2021-22 on the following dates:

Board Meeting No.	Board Meeting Date	Board strength	Number of Directors present
342	28.04.2021	12	11
343	25.06.2021	12	11
344	22.07.2021	12	11
345	16.10.2021	12	12
346	22.10.2021	12	10
347	24.01.2022	14	14

Attendance of Directors at the Board Meetings held during the financial year 2021-2022 and at the last Annual General Meeting held on 20.08.2021, 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 20.08.2021 (YES/NO/NA)	NO. OF DIRECTORSHIP IN OTHER COS. AS ON 31.03.2022	MEMBERSHIP OF COMMITTEES IN OTHER COS. INCL. CPCL AS ON 31.03.2022	CHAIRMANSHIP OF COMMITTEES IN OTHER COS. INCL. CPCL AS ON 31.03.2022
Non-Executive Chairman					
Mr. S.M.Vaidya	6(6)	YES	5 (Chairman - IOCL) (Non-Executive Chairman - RRPCL, IOTL & HURL) (Non-Executive Director- PLL)	1 (IOCL – NRC)	1 (IOCL – RMC)
Whole-Time Directors					
Mr. Arvind Kumar, Managing Director **(w.e.f 27.08.2021)**	3(3)	NA	2 (Non-Executive Chairman – IAL & AROCHEM)	1 (CPCL-PPC)	1 (CPCL – RMC)
Mr.Rajeev Ailawadi, Director (Finance)	6(6)	YES	NIL	5 (CPCL - SRC, CSR&SD, BPC & RMC&PPC)	NIL
Mr.S. Krishnan, Director (Operations)	6(6)	YES	2 (Non-Executive Director – IAL & AROCHEM)	3 (CPCL – RMC & BPC &PPC)	1 (IAL – AC)
Mr.H. Shankar Director (Technical)	6(6)	YES	NIL	4 (CPCL – CSR & SD, RMC & BPC & PPC)	NIL
Part-Time Non-Executive Director (IOCL Nominee)					
Ms. Sukla Mistry **(w.e.f 16.11.2021)**	1(1)	NA	1 Director (Refineries – IOCL)	3 (CPCL – NRC & RMC) (IOCL – RMC)	1 (CPCL – BPC)
Mr. Manoj Sharma **(upto 09.11.2021)**	5(5)	YES	NA	NA	NA

NAME OF THE DIRECTOR	NO. OF BOARD MEETINGS ATTENDED OUT OF MEETINGS HELD DURING THE TENURE OF DIRECTOR	ATTENDANCE AT THE AGM ON 20.08.2021 (YES/NO/NA)	NO. OF DIRECTORSHIP IN OTHER COS. AS ON 31.03.2022	MEMBERSHIP OF COMMITTEES IN OTHER COS. INCL. CPCL AS ON 31.03.2022	CHAIRMANSHIP OF COMMITTEES IN OTHER COS. INCL. CPCL AS ON 31.03.2022
Independent Directors					
Mr. Amitabh Mathur	6(6)	YES	NIL	2 (CPCL – AC & BPC)	1 (CPCL – NRC)
Mr. Myneni Narayana Rao	6(6)	YES	4 (Independent Director – WSS & Avantel Ltd.) (Non-Executive Director – KMV Projects Ltd. & Bridge Engineering India Pvt. Ltd.)	4 (CPCL – RMC) (WSS – AC & NRC) (Avantel Ltd. – AC)	4 (CPCL – AC & CSR&SD) (Avantel Ltd. – NRC & SRC)
Mrs. Sobhana Surendran	6(6)	YES	NIL	1 (CPCL – NRC)	1 (CPCL – SRC)
Mr. Ravi Kumar Rungta **(w.e.f 16.11.2021)**	1(1)	NA	NIL	-	NIL
Dr. C.K.Shivanna **(w.e.f 16.11.2021)**	1(1)	NA	NIL	-	NIL
Mr. D.Durai Ganesan **(upto 13.08.2021)**	3(3)	NA	NA	NA	NA
Part-Time Non-Executive Director (Government Nominee)					
Mr. Deepak Srivastava **(w.e.f 10.08.2021)**	2(3)	YES	NIL	5 (CPCL – AC, NRC, CSR & SD, BPC & SRC)	NIL
Mr. Sukh Ram Meena **(upto 05.08.2021)**	0(3)	NA	NA	NA	NA
Part-Time Non-Executive Director (NICO Nominee)					
Mr. M.B.Dakhili	5(6)	YES	1 (Non-Executive Director – MFL)	3 (CPCL – CSR & SD) (MFL – AC, NRC)	1 (MFL - SRC)
Mr. Babak Bagherpour	6(6)	YES	1 (Non-Executive Director – MFL)	1 (CPCL - SRC)	NIL

Note:

1) Shri.S.M.Vaidya is also Chairman of i) Indian Oil Corporation Ltd (IOCL); He is also a Non-Executive Chairman in ii) Hindustan Urvarak and Rasayan Ltd (HURL) iii) Ratnagiri Refinery and Petrochemicals Ltd (RRPL) iv) Indian Oil Tanking Ltd (IOTL) and Non-Executive Director in v) Petronet –LNG Ltd (PLL).
2) **IAL** stands for Indian Additives Ltd.
3) **AROCHEM** stands for National Aromatics and Petrochemicals Corporation Ltd.
4) **MFL** stands for Madras Fertilizers Limited
5) **RRPCL** stands for Ratnagiri Refinery and Petrochemicals Company Limited
6) **WSS** stands for Welspun Specialty Solutions Ltd.

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

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

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

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

Sl. No.	Name of Director	Directorship in Listed entity
1.	Mr.S.M.Vaidya	Chairman, Indian Oil Corporation Ltd. NED, Petronet LNG Ltd.
2.	Mr.Myneni Narayana Rao	Independent Director, Welspun Specialty Solutions ;Avantel Ltd.
3.	Mr.Babak Bagherpour	Director, Madras Fertilizers Ltd.
4.	Mr.Mohammad Bagher Dakhili	Director, Madras Fertilizers Ltd.

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

The Code of Conduct for Directors and Senior Management Personnel of the company has been laid down by the Board, which has been circulated to all the concerned and the same is also hosted in the website of the company https://www.cpcl.co.in/company/overview/our-policies/. The Directors and Senior Management Personnel of the Company have affirmed compliance with the provisions of the CPCL's code of conduct for year ended 31.03.2022 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 348th Meeting held on 27.04.2022.

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

'This is to declare that all the Board Members and Senior Management Personnel of the Company have furnished the Annual Compliance Report affirming that they have fully complied with the provisions of the Code of Conduct for the Board Members and the Senior Management Personnel of the Company during the Financial Year ended 31.03.2021 and the same was informed to the Board at the 348th Meeting held on 27.04.2022'.

Place: Chennai
Date: 27.04.2022

ARVIND KUMAR
MANAGING DIRECTOR

g) SHAREHOLDING OF DIRECTORS:

No Director on the Board of Chennai Petroleum Corporation Limited is holding any shares of CPCL as on 31.03.2022.

h) SUCCESSION PLANNING:

CPCL being a Government Company under the administrative control of the Ministry of Petroleum and 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 31.03.2022 IS AS UNDER:

1. Mr.Myneni Narayana Rao, Independent Director – Chairman
2. Mr.Amitabh Mathur, Independent Director– Member
3. Mr.Deepak Srivastava, Government Director– Member (w.e.f 10.08.2021)

Note: Mr.Sukh Ram Meena, Government Director, ceased to be the member of Audit Committee w.e.f 05.08.2021. Mr.D.Duraiganesan, Independent Director, ceased to be the member of Audit Committee w.e.f 13.08.2021 subsequent to the completion of his tenure on the Board of CPCL.

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

b) **The terms of reference of the Audit Committee cover all matters specified by the Companies Act 2013 as well as Regulation 18(3) read with Part C of Schedule-II of (SEBI LODR), which inter-alia includes the following:**

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for fixation of audit fees of statutory auditors.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
   a) Matters required to be included in the Board's Report in terms of sub-section 3 of Section 134 of the Companies Act, 2013.
   b) Changes, if any, in accounting policies and practices and reasons for the same.
   c) Major accounting entries involving estimates based on the exercise of judgment by management.
   d) Significant adjustments made in the financial statements arising out of audit findings.
   e) Compliance with listing and other legal requirements relating to financial statements.
   f) Disclosure of any related party transactions.
   g) Modified opinion in draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the Management the adequacy of the internal control systems.
7. Evaluation of internal financial controls and risk management systems
8. Approval of related party transactions.
9. Reviewing the adequacy of internal audit function, if any, including annual plan for internal audit, the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
10. Discussion with internal auditors any significant findings and follow up thereon.
11. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
12. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
13. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
14. To review the functioning of the Whistle-Blower Mechanism, in case the same is existing.
15. Review of cost audit report.
16. Reviewing with the management, the observations or comments, if any, of Comptroller and 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 2021-2022 and the members present are given below:**

Sl. No.	MEMBERS PRESENT	ATTENDANCE AT MEETINGS HELD OUT OF TOTAL NUMBER OF MEETINGS					
		28.04.2021	22.07.2021	22.10.2021	26.11.2021	24.01.2022	Total
1	Mr. Myneni Narayana Rao	YES	YES	YES	YES	YES	5/5
2	Mr. Amitabh Mathur	YES	YES	YES	YES	YES	5/5
3	Mr. Deepak Srivastava	NA	NA	LOA	YES	YES	2/3
4	Mr. Sukh Ram Meena	LOA	LOA	NA	NA	NA	0/2
5	Mr. D.Duraiganesan	YES	YES	NA	NA	NA	2/2

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

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

The minutes of the meeting are circulated among the members of the Committee and among all those 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 AND REMUNERATION COMMITTEE:

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

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

b) **THE NOMINATION and REMUNERATION COMMITTEE AS ON 31.03.2022 COMPRISES OF THE FOLLOWING MEMBERS:**

- Mr. Amitabh Mathur, Independent Director– Chairman
- Ms. Sobhana Surendran, Independent Director– Member
- Mr. Deepak Srivastava, Government Director– Member
- Ms. Sukla Mistry, Nominee Director (IOCL)– Member

Note: Mr. Manoj Sharma, Nominee Director (IOCL), ceased to be a member of the NRC w.e.f 09.11.2021. Mr.Sukh Ram Meena, Government Director, ceased to be a member of the NRC w.e.f 05.08.2021. Mr.D.Duraiganesan, Independent Director, ceased to be a member of the NRC w.e.f 13.08.2021.

Mr.Ravi Kumar Rungta, Independent Director and Dr.C.K.Shivanna, Independent Director were inducted as members w.e.f 27.04.2022.

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) that is Senior Management Personnel in accordance with the laid down criteria.
3. Termination of Supervisory Employees-Grade-H.
4. To decide the Annual Bonus / Ex-gratia/ Production Incentives/Variable Pay Pool and policy for its distribution across the Executives and Non- Unionised Supervisors, within the prescribed limits as per DPE Guidelines.
5. Such other activities mandated by the Board from time to time.

   The Committee will consider and approve the issues pertaining to the terms of reference as per Sl. No. 2 based on the recommendations of the Internal Committee comprising of Functional Directors, Managing Director and one Part-time Director from IOCL.

d) **THE DETAILS OF NRC MEETINGS HELD DURING THE FINANCIAL YEAR 2021-2022 ARE AS UNDER:**

Sl. No.	Name of the member	ATTENDANCE AT MEETINGS HELD OUT OF TOTAL NUMBER OF MEETINGS		
		29.10.2021	24.01.2022	Total
1	Mr. Amitabh Mathur	YES	YES	2/2
2	Ms. Sobhana Surendran	YES	YES	2/2
3	Mr. Deepak Srivastava	YES	YES	2/2
4	Mr. Manoj Sharma	YES	NA	1/1
5	Ms. Sukla Mistry	NA	YES	1/1

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

e) DIRECTORS REMUNERATION:

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

The gross value of the fixed component of the remuneration, as explained above, paid to the Whole-Time functional Directors, during the financial year 2021-2022 is given below:

₹ in crore

Particulars of Remuneration	Arvind Kumar MD (w.e.f. 27/08/2021)	Rajeev Ailawadi D(F)	S. Krishnan D(O)	H.Shankar D(T)	Total Amount
Salary as per provisions contained in section 17(1) of the Income-Tax, 1961.	0.28	0.67	0.72	0.54	2.21
Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.03	0.02	0.02	0.03	0.10
Total	**0.31**	**0.69**	**0.74**	**0.57**	**2.31**
Ceiling as per the Act	Not Applicable to Government Company				

Note:

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

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

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

f) CRITERION 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) DETAILS OF THE SITTING FEES PAID TO NON-EXECUTIVE INDEPENDENT DIRECTORS DURING 2021-2022 ARE GIVEN BELOW:

- Mr. Amitabh Mathur–₹ 5,10,000/- (Rupees Five Lakh Ten Thousand only)
- Mr. Myneni Narayana Rao–₹ 5,10,000/- (Rupees Five Lakh Ten Thousand only)
- Mrs. Sobhana Surendran – ₹ 3,30,000/- (Rupees Three Lakh Thirty Thousand only)
- Mr. Ravi Kumar Rungta – ₹ 40,000/- (Rupees Forty Thousand only)
- Dr. C.K. Shivanna – ₹ 40,000/- (Rupees Forty Thousand only)
- Mr. D. Duraiganesan–₹ 1,80,000/- (Rupees One Lakh Eighty Thousand only)

The Government Nominee Directors are not paid any remuneration, sitting fees, and so on.

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 and 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 31.03.2022 IS AS UNDER:

- Mrs. Sobhana Surendran, Independent Director – Chairman

- Mr. Deepak Srivastava, Government Director – Member
- Mr. Rajeev Ailawadi, Director (Finance) – Member
- Mr. Babak Bagherpour, Nominee Director (NICO) – Member

Note: Mr.D.Duraiganesan, Independent Director ceased to be a member of the SRC w.e.f 13.08.2021. Mr.Sukh Ram Meena, Government Director ceased to be a member of the SRC w.e.f 05.08.2021.

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

b) THE DETAILS OF STAKEHOLDERS RELATIONSHIP COMMITTEE MEETING HELD DURING THE FINANCIAL YEAR 2021-2022 AND MEMBERS PRESENT IS GIVEN BELOW:

Sl. No.	MEMBERS PRESENT	ATTENDANCE AT MEETINGS HELD OUT OF TOTAL NUMBER OF MEETINGS	
		22.10.2021	Total
1	Mrs. Sobhana Surendran	LOA	0/1
2	Mr. Rajeev Ailawadi	YES	1/1
3	Mr. Babak Bagherpour	YES	1/1
4	Mr. Deepak Srivastava	LOA	0/1

Note: i) 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 2021-2022:

During the year 350 queries, requests and complaints were received and all have been resolved. As on 31.03.2022, no complaints were pending.

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

6. COMMITTEE ON CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABLE DEVELOPMENT:

a) The Composition of Committee on CSR and SD as on 31.03.2022 is as follows:

- Mr. Myneni Narayana Rao, Independent Director – Chairman
- Mr. Deepak Srivastava, Government Director – Member
- Mr. Rajeev Ailawadi, Director (Finance) – Member
- Mr. H.Shankar, Director (Technical) – Member
- Mr. M.B.Dakhili, Nominee Director (NICO) – Member

Note: Mr. Sukh Ram Meena, Government Director, ceased to be a member of the SRC w.e.f 05.08.2021.

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 organisation.
- 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 and SD COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2021-2022 ALONG WITH THE MEMBERS PRESENT ARE GIVEN BELOW:

Sl. No.	MEMBERS PRESENT	ATTENDANCE AT MEETINGS HELD OUT OF TOTAL NUMBER OF MEETINGS		
		15.10.2021	24.01.2022	Total
1	Mr. Myneni Narayana Rao	YES	YES	2/2
2	Mr. Rajeev Ailawadi	YES	YES	2/2
3	Mr. H.Shankar	YES	YES	2/2
4	Mr. M.B.Dakhili	YES	YES	2/2
5	Mr. Deepak Srivastava	YES	YES	2/2

Note – 'LOA' denotes Leave of Absence.

The CSR Policy is hosted on the website of the company under the link https://www.cpcl.co.in/company/overview/our-policies/. The CSR Report, as required under the Companies Act, 2013 for the year ended 31.03.2022 is annexed to the Board's Report.

7. RISK MANAGEMENT COMMITTEE (RMC):

a) As per Regulation 21 (1) and (5) of SEBI (LODR), the Board of Directors of every top 1000 listed companies based on market capitalisation shall constitute a Risk Management Committee with effect from 01.04.2020. Accordingly, the Board of Directors of your Company, at the 329th Board Meeting held on 27.03.2019 constituted a Risk Management Committee.

b) **THE COMPOSITION OF THE RISK MANAGEMENT COMMITTEE COMPRISES OF THE FOLLOWING MEMBERS AS ON 31.03.2022:**

- Mr. Arvind Kumar, Managing Director – Chairman
- Mr. Rajeev Ailawadi, Director (Finance) – Member
- Mr. S.Krishnan, Director (Operations) – Member
- Mr. H.Shankar, Director (Technical) – Member
- Mr. Myneni Narayana Rao, Independent Director – Member
- Ms. Sukla Mistry, Nominee Director (IOCL) – Member

Mr. Manoj Sharma, Nominee Director (IOCL), ceased to be a member of the RMC w.e.f 09.11.2021.

The Action Taken Report on the Risk Management Policy for the period April, 2021 to March, 2022 was reviewed by the Risk Management Committee, Audit Committee and by the Board of Directors at the meeting held on 27.04.2022.

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 CBR and external risks like crude oil sourcing risks, pricing of products, emergence of natural gas, market dynamics, environmental risks, safety and security risks.
- To carry out such other functions including cyber security as may be delegated by the Board.

8. OTHER COMMITTEES OF THE BOARD:

Sl. No.	Name of the Committee	Role and Responsibilities	Members	Meetings held (2021-22)
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. Ms. Sukla Mistry, Non-Executive Nominee Director – Chairperson (w.e.f. 16.11.2021) 2. Mr. Amitabh Mathur, Independent Director – Member 3. Mr.Deepak Srivastava, Government Director – Member 4. Director (Finance) – Member 5. Director (Technical) or Director (Operations), depending upon the proposal considered	1 (25.06.2021)

Sl. No.	Name of the Committee	Role and Responsibilities	Members	Meetings held (2021-22)
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 (Finance) 3. Director (Operations) 4. Director (Technical)	8

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

The composition of various committees of Board of Directors is also hosted on the website of the Company https://www.cpcl.co.in/company/leadership/sub-committees/.

There have been no instances where any recommendation made by any Board Committee has not been accepted by the Board of CPCL during the year 2021-22.

9. GENERAL MEETING:

The Annual General Meetings 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
21.08.2019	Kamaraj Arangam 492, Anna Salai, Chennai 600 006	03.00 pm	2
11.09.2020	Video Conference / Other Audio Visual Means	03.00 pm	NIL
20.08.2021	Video Conference / Other Audio Visual Means	03.00 pm	3

No Extraordinary General Meeting of the members was held during the year 2021-2022.

10. POSTAL BALLOT DETAILS:

No approval of shareholders was sought by means of postal ballot during 2021-2022.

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

11. DISCLOSURES:

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

a) SEPARATE MEETING OF INDEPENDENT DIRECTORS:

One Separate Meeting of the Independent Directors as required under Regulation 25(3) of SEBI (LODR) was held on 26.11.2021.

b) MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:

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

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

c) **MATERIAL SUBSIDIARIES:**

CPCL has no subsidiaries.

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

NSE and BSE imposed penalties for Non-Appointment of requisite number of Independent Directors throughout the year.

CPCL had represented to the stock exchanges that non-compliance with regard to composition of Board of Directors is not due to any negligence / default of the Company as the same is not under the control of the Company .

The Nomination and Remuneration Committee has been reconstituted on 27.04.2022 with 2/3rd Independent Directors to comply with amended Regulation 19 of SEBI (LODR) Regulations, 2015 which was effective 01.01.2022.

e) **VIGIL MECHANISM AND WHISTLE-BLOWER POLICY:**

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

The Board of Directors of the Company at the 260th Meeting held on 24.03.2009, accorded approval for the implementation of the Whistle-Blower Policy in the Company. The Whistle-Blower Policy was further amended by the Board at the meeting held on 08.05.2019 to enable employees to report instances of leakage of Unpublished Price Sensitive Information (UPSI). A copy of the Whistle Blower Policy is displayed in the Intra-net and website of the Company. Under the link https://cpcl.co.in/company/overview/our-policies/.

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 HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

Disclosure regarding compliance with Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 along with status of complaints received and disposed off during the year is provided in the Director's Report. The details are as under:

Number of complaints filed during the Financial Year 2021-2022	NIL
Number of complaints disposed off during the Financial Year 2021-2022	NIL
Number of complaints pending as on end of the financial year 2021-2022	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 2021-2022
Audit Fees	0.24
Limited Review Certification	0.12
Tax Audit Fees	0.04
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 throughout the year which is less than half of the total strength of the Board.

The Company has taken up the issue with the appointing authority, such as the Government of India. The appointment of additional Independent Directors is under the consideration of the Government of India.

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

ii) Compliance of Applicable Laws:

As per Regulation 17 (3) of SEBI (LODR), the Board shall periodically review compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the it to rectify instances of non-compliances.

Accordingly, a system had been developed and institutionalised 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 01.10.2020 to 30.09.2021 at the 345th Board Meeting held on 16.10.2021. The compliance report for the period 01.10.2021 to 30.09.2022 will be placed before the Board at the meeting scheduled in October / November 2022.

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 minimisation 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 officials from various functional areas to identify the risks in the present context, prioritise them and formulate proper action plan for implementation. The Committee has formulated the Risk Management Policy with effect from 2012-13.

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

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

The Action Taken Report on the Risk Management Policy for the period April, 2021 to March, 2022 was reviewed by the Risk Management Committee, Audit Committee and the Board of Directors at their meeting held on 27.04.2022.

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

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

v) Compliance Certificate

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

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

The following non-mandatory requirements under Part E of Schedule II of the SEBI (LODR) to the extent they have been adopted are mentioned below:

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

The Company's financial statements for the year ended 31st March, 2022 do not contain any modified audit opinion.

h) CEO / CFO CERTIFICATION:

The required certification from Director (Finance) and Managing Director being the CFO and CEO respectively was obtained and placed before the 110th Audit Committee Meeting and 348th Board meeting held on 27.04.2022.

i) INTEGRITY PACT:

CPCL signed a Memorandum of Understanding (MOU) with Transparency International India (TII) in 2008 for implementing an integrity pact programme focused on enhancing transparency, probity, equity and competitiveness in its procurement process. 196 major contracts were covered under the Integrity Pact during 2021-2022 and the threshold limit for entering into integrity pact was reduced to ₹ 0.75 crore during the year 2020-21.

j) RELATIONSHIP BETWEEN DIRECTORS:

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

The letters issued to Non-Executive Directors on their appointment are displayed on the website of the Company under the link https://www.cpcl.co.in/investors/financials/statutory-disclosure/.

k) DETAILS OF FAMILIARIZATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS:

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

During the Financial year 2021-2022, familiarisation programme was conducted for the newly appointed Independent Director Dr. C.K. Shivanna and the details of the same are uploaded in the website of the Company under the link https://cpcl.co.in/wp-content/uploads/2022/03/Training-Program-Nomination-Dr.C.K.Shivanna-Independent-Director.pdf. Mr. Ravi Kumar Rungta, Independent Director, will be nominated for a similar familiarisation programme during the Financial Year 2022-23.

Further, the Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Presentations are made at the Board and Committee meetings on business and performance updates of the Company, global business environment, business strategy and risks involved. Site visits to various plant locations are organised for the Independent Directors to enable them to understand and acquaint with the operations of the Company.

l) DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT:

No shares of CPCL were lying in the demat suspense account or unclaimed suspense account as on 31.03.2022.

m) GUIDELINES ON CORPORATE GOVERNANCE BY DPE:

CPCL is complying with all the requirements of the DPE Guidelines on corporate governance except the requirements relating to minimum number of Independent Directors throughout the year.

The Nomination and Remuneration Committee has been reconstituted on 27.04.2022 with 2/3rd Independent Directors to comply with amended Regulation 19 of SEBI (LODR) Regulations, 2015 which was effective 01.01.2022.

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

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

The Company has not incurred any expenditure not for the purpose of business during the year 2021-2022.

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 0.18% as compared to the previous year figure of 0.22%.

In the preparation of financial statement for the year 2021-2022, the Company has not adopted an accounting treatment which is different from that prescribed in the Accounting Standard, in respect of any transaction.

12. MEANS OF COMMUNICATION:

a) Financial Results

The Board of Directors of the Company approves the Financial Results within the time limits prescribed under SEBI (LODR) and announces the results to Stock

Exchanges where the equity shares are listed. The same are also generally published, within 48 hours of the conclusion of the meeting in the newspapers such as The Hindu – All India Edition (English), and Makkal Kural – Regional Edition (Tamil).

The quarterly results, half-yearly results, annual results and shareholding pattern are placed on the Company's website at https://www.cpcl.co.in/investors/financials/financial-performance/. Press releases are given on important occasions. They are also placed on Company's website.

Financial Results are published in the newspapers as mentioned above in para (a). However, the full format of the financial results is being furnished to stock exchanges for uploading in the stock exchange website. Further, the full format of financial results is being uploaded in official website of the Company.

b) Con-call with Investors

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

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

d) Website

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

e) NSE Electronic Application Processing System (NEAPS) and NSE Digital Exchange

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

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

f) Annual Report

The Annual Report of the Company and all intimation to the stock exchanges are displayed in the website in line with the SEBI (LODR).

CPCL would dispatch the full version of the Annual Report 2021-2022 only to the registered email address of the shareholders, in line with the relaxation granted by SEBI in this regard.

g) Chairman's Speech at AGM

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

h) Investors' cell

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

i) Green initiative – reaching important communication to shareholders through email

The provisions of The Companies Act, 2013 and Rules made thereunder permits paperless communication by allowing service of all documents in electronic mode. Accordingly, CPCL would send the copy of the Annual Report for the year 2021-2022 along with the notice convening the Annual General Meeting through email to those shareholders who have registered their email id with the DP's / R&T agents and have not opted for physical copy of the Annual report.

CPCL would dispatch the full version of the Annual Report 2021-2022 only to the registered email address of the shareholders, in line with the relaxation granted by SEBI in this regard.

13. GENERAL SHAREHOLDER INFORMATION:

a)	56th Annual General Meeting	:	
b)	Date and Time	:	23.08.2022 (Tuesday) at 03:30 PM
c)	Venue	:	The Company would be conducting meeting through VC / OAVM pursuant to the MCA Circular dated January 13, 2021 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of the AGM.
d)	Financial Year and Calendar for Results	:	April – March Quarter ending 30th June – on or before 14th August Quarter ending 30th September – on or before 14th November Quarter ending 31st December – on or before 14th February Quarter ending 31st March – on or before 30th May
e)	Record Closure Date	:	10.08.2022
f)	Dividend despatch date	:	The Board has recommended a Equity Dividend of ₹ 2 per share and 6.65% Preference Dividend on the Preference Share Capital for the financial year 2021-2022.
g)	Listing on Stock Exchanges	:	The Shares of the Company are listed on the Stock Exchanges at Mumbai BSE Limited and National Stock Exchange of India Limited. The listing fee for the year 2022-2023 has been paid.
h)	Stock Code	:	BSE – 500110
i)	Trading Symbol in NSE	:	CHENNPETRO
j)	ISIN No. for dematerialized share	:	INE 178A 01016
k)	Book Closure Date / Cut Off Date	:	
l)	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.
m)	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.

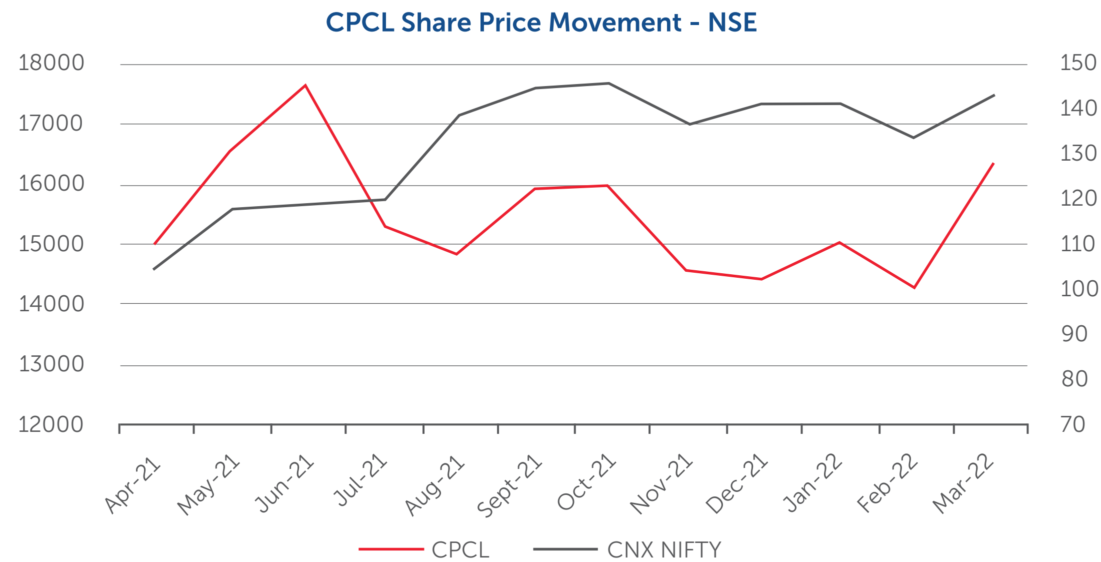
n) MARKET PRICE DATA – HIGH, LOW AND CLOSE DURING EACH MONTH IN THE LAST FINANCIAL YEAR:

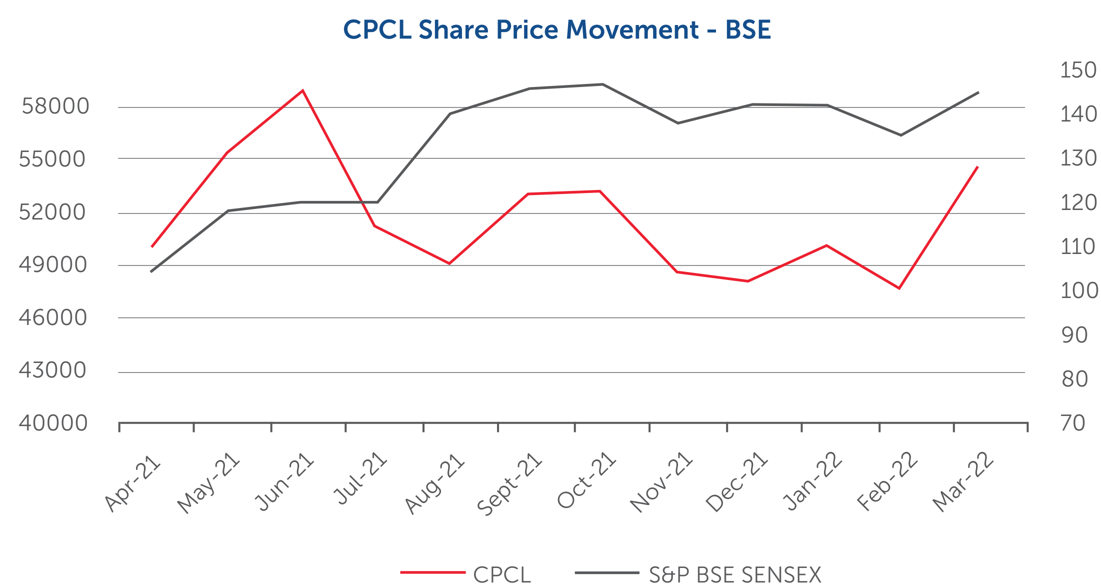
(in ₹)

Month	NSE			Volume	BSE			Volume
	High	Low	Close		High	Low	Close	
Apr-21	121.85	93.00	110.55	2064755000	122.30	93.00	110.55	581560
May-21	138.80	107.00	131.05	4960682000	138.70	106.40	131.00	1389513
Jun-21	151.80	124.30	145.80	3505399000	151.80	124.45	145.50	1097270
Jul-21	146.55	114.00	114.20	1408514000	146.70	113.10	114.30	558018
Aug-21	118.00	97.30	107.35	1001736000	118.00	97.50	107.30	545610
Sep-21	127.40	104.40	122.15	1554118000	127.35	104.45	122.10	713356
Oct-21	144.80	121.15	122.65	2689721000	144.90	121.10	122.75	698725
Nov-21	126.50	104.00	104.55	690593000	125.35	104.20	104.55	274541
Dec-21	109.45	95.60	102.65	743141000	109.30	95.70	102.60	369551
Jan-22	117.00	100.00	110.55	1687240000	116.60	101.25	110.45	797001
Feb-22	116.50	94.45	100.35	847083000	116.50	94.65	100.50	481934
Mar-22	138.40	99.55	127.65	3686779000	138.40	99.25	127.70	1056787

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

Month	NSE		BSE	
	CPCL Close (in ₹)	*Index Close (CNX NIFTY)*	*CPCL Close (in ₹)*	*Index Close (SandP BSE SENSEX)*
Apr-21	110.55	14631.10	110.55	48782.36
May-21	131.05	15582.80	131.00	51937.44
Jun-21	145.80	15721.50	145.50	52482.71
Jul-21	114.20	15763.05	114.30	52586.84
Aug-21	107.35	17132.20	107.30	57552.39
Sep-21	122.15	17618.15	122.10	59126.36
Oct-21	122.65	17671.65	122.75	59306.93
Nov-21	104.55	16983.20	104.55	57064.87
Dec-21	102.65	17354.20	102.60	58253.82
Jan-22	110.55	17339.85	110.45	58014.17
Feb-22	100.35	16793.90	100.50	56247.28
Mar-22	127.65	17464.75	127.70	58568.51





During 2021-2022, the share price of the Company touched a high of ₹ 151.80 and closed at ₹ 127.70 on 31.03.2022 on the BSE thereby decreasing by 15.87%. During the same period, the BSE SENSEX touched a high of 62245.43 and closed at 58568.51 on 31.03.2022 thereby decreasing by 5.90%. The NSE NIFTY touched a high of 18604.45 and closed at 17464.75 on 31.03.2022 thereby decreasing by 6.12%.

p) DEBT SECURITIES:

1. The debt securities such as Unsecured Redeemable Non-Convertible Bonds in the nature of Debentures to the extent of ₹ 1,145 crore was allotted on 28.02.2020 at a coupon rate of 6.43% with an Annual Interest Payment frequency and having their maturity date on 28.03.2023.

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

3. The Company has allotted 7,750 Unsecured, Non – Cumulative, Convertible, Redeemable, Taxable Debentures (SERIES II - 2022) of ₹ 10,00,000/- each aggregating to sum of ₹ 775/- Crores on 23.06.2021 with an interest of 5.44% p.a, with an Annual Interest Payment frequency and having their maturity date on 24.06.2024 pursuant to Resolution passed by the Board of Directors dated 30th January, 2021.

q) REGISTRARS AND SHARE TRANSFER AGENTS:

M/s. KFin Technologies Ltd. (KTPL) was the Registrar and Transfer Agents (RTA) of the Company during the Financial Year 2021-2022. The address for correspondence with the RTA is as given below:

(1) *Hyderabad Office:*
KFin Technologies Ltd.,
Selenium Tower B,
Plot 31-32, Gachibowli Financial District,
Nanakramguda, Hyderabad - 500 032
Phone: 040-44655000/44655152
Fax No: 040-44655024
E-mail: mohsin.mohd@kfintech.com, einward.ris@kfintech.com
Website: www.kfintech.com

(2) *Chennai Office:*
KFin Technologies Limited
Unit: Chennai Petroleum Corporation Limited
Akshaya Plaza, 1st Floor, Flat No. F-11
New No.108, Adhithanar Salai, (Opp.: Chief City Metropolitan Court) Egmore, Chennai 600002
Phone: 044-28587781
Fax : 044-42028514
Email id: chennaiirc@kfintech.com

r) SHARE TRANSFER SYSTEM:

SEBI vide circular dated 5th December, 2018 has directed that no transfer of shares in physical form would be allowed w.e.f. 1st April, 2019. Accordingly, no transfer of shares in physical form was processed w.e.f. 1st April, 2019. However, all requests for transfer of shares in physical form received upto 31st March 2019 have been transferred within the stipulated period from the date of lodgment subject to documents being valid and complete in all respects. There were no overdue share transfers pending as on 31st March, 2022.

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

The number of transfers approved and shares transferred from 01.04.2021 to 31.03.2022 are given below:

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

The number of meetings held for approving transmission, etc. from 01.04.2021 to 31.03.2022 is 7.

The number of demat requests approved and shares dematted from 01.04.2021 to 31.03.2022 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	104	33700
2	Number of demat requests processed	75	29900
3	Number of demat requests rejected, for non-receipt of physical share certificates within 30 days as per the requirement of NSDL	29	3800

The number of demat requests approved and shares dematted from 01.04.2021 to 31.03.2022 in Central Depository Services (India) Ltd. (CDSL) are given below:

Sl. No.	Particulars	Number of DRF	Shares
1	Number of demat requests received	88	10276
2	Number of demat requests processed	73	8376
3	Number of demat requests rejected, for non- receipt of physical share certificates within 30 days as per the requirement of CDSL	15	1900

No Remat requests were received during the year 2021-22 both in NSDL and CDSL.

s) DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2022:

CHENNAI PETROLEUM CORPORATION LIMITED					
Distribution of Shareholding as on 31/03/2022 (TOTAL)					
Sl. No.	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 5000	81706	99.15	16276794	10.93
2	5001 - 10000	354	0.43	2630318	1.77
3	10001 - 20000	185	0.22	2760151	1.85
4	20001 - 30000	52	0.06	1319327	0.89
5	30001 - 40000	32	0.04	1141585	0.77
6	40001 - 50000	20	0.02	940505	0.63
7	50001 - 100000	22	0.03	1526359	1.03
8	100001 and above	36	0.04	122316361	82.14
	TOTAL:	**82407**	**100.00**	**148911400**	**100.00**

t) SHAREHOLDING PATTERN AS ON 31.03.2022:

Sl. No.	Code	Description	Total Cases	Total Shares	Total Cases %
1	IOC	INDIAN OIL CORPORATION LTD	1	77265200	51.8867
2	PUB	RESIDENT INDIVIDUALS	78288	24086088	16.1748
3	NIT	NAFTIRAN INTER TRADE COMPANY	1	22932900	15.4004
4	MUT	MUTUAL FUNDS	12	7976950	5.3568
5	QIB	QUALIFIED INSTITUTIONAL BUYER	4	5816554	3.9061
6	FPC	FOREIGN PORTFOLIO - CORP	26	5022263	3.3727
7	LTD	BODIES CORPORATES	413	1927734	1.2946
8	NRI	NON-RESIDENT INDIANS	4011	1418253	0.9524
9	HUF	H U F	1449	1105056	0.7421
10	CM	CLEARING MEMBERS	103	517507	0.3475
11	IEP	I E P F	1	505966	0.3398

Sl. No.	Code	Description	Total Cases	Total Shares	Total Cases %
12	NRN	NON RESIDENT INDIAN NON-REPATRIABLE	564	191907	0.1289
13	TRU	TRUSTS	10	70478	0.0473
14	EMP	EMPLOYEES	254	49625	0.0333
15	NBF	NBFC	3	20850	0.014
16	FII	FOREIGN INSTITUTIONAL INVESTORS	7	2600	0.0017
17	BNK	BANKS	5	969	0.0007
18	NRC	NON-RESIDENT COMPANIES	1	300	0.0002
19	FN	FOREIGN NATIONALS	1	200	0.0001
Tota			**85154**	**148911400**	**100**

u) **TOP TEN SHAREHOLDERS AS ON 31.03.2022 (OTHER THAN PROMOTERS):**

Sl. No.	Name	Total Shares	% to Equity	Cgy
1	ICICI PRUDENTIAL MULTI-ASSET FUND	44,70,220	3.0019	MUT
2	LIFE INSURANCE CORPORATION OF INDIA	40,57,766	2.7250	QIB
3	POLUNIN EMERGING MARKETS SMALL CAP FUND, LLC	25,36,869	1.7036	FPC
4	SBI CONTRA FUND	17,58,623	1.1810	MUT
5	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA BALANCED ADVANTAGE FUND	17,43,507	1.1708	MUT
6	THE NEW INDIA ASSURANCE COMPANY LIMITED	15,70,232	1.0545	QIB
7	BOFA SECURITIES EUROPE SA - ODI	7,55,616	0.5074	FPC
8	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY	5,05,966	0.3398	IEP
9	SOCIETE GENERALE - ODI	3,94,872	0.2652	FPC
10	WISDOMTREE INDIA INVESTMENT PORTFOLIO, INC.	3,05,744	0.2053	FPC

v) **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 31.03.2022 is as under:

CHENNAI PETROLEUM CORPORATION LIMITED					
CONTROL REPORT AS ON 31/03/2022 PAN Wise					
Sl. No.	**Description**	**Cases**	**% Equity**	**Shares**	**% Equity**
1	PHYSICAL	9139	0.71	1059358	0.71
2	NSDL	39613	39.77	59228835	39.77
3	CDSL	36402	59.51	88623207	59.51
	TOTAL	**85154**	**100.00**	**148911400**	**100.00**

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

w) 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
2014-2015	No Dividend	
2015-2016	07.09.2016	06.10.2023
2016-2017	24.08.2017	23.09.2024
2017-2018	24.08.2018	23.09.2025
2018-2019		
2019-2020	No Dividend	
2020-2021		

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 31.03.22 are given below:

Year	Amount (₹)
2014-15	No dividend declared
2015-16	51,76,172.04
2016-17	1,84,96,528.10
2017-18	1,29,96,900.10
2018-19	
2019-20	No Dividend Declared
2020-21	
Total	**3,66,69,600.24**

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. 20.08.2021 in the prescribed form with the IEPF and also hosted it on Company's website https://www.cpcl.co.in/investors/share-holder-information/iepf/.

x) 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 and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2015 in September 2016 and further amended by Notification dated 26.10.2017 providing for the transfer of the Equity Shares to IEPF in respect of which dividend has remained unclaimed for seven consecutive years or more, on or before 30.11.2017.

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

No dividend declared for the years 2013-14 to 2014-15 and 2018-19 to 2020-21. No dividend / shares was liable to be transferred to the IEPF Account during the Financial Year 2021-2022 since no dividend was declared for the Financial Year 2013-2014. The details of shares transferred to IEPF earlier are hosted on the website of the Company https://www.cpcl.co.in/investors/share-holder-information/iepf/.

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

Particulars	No. of Shares
Shares in the demat account of IEPF Authority as on 01.04.2020	5,07,366
Add: Shares transferred to demat account of IEPF authority during 2020-2021	0
Less: Shares claimed by investors from IEPF authority	1,400
Shares in the demat account of IEPF Authority as on 31.03.2022	5,05,966

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

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

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

y) CREDIT RATING:

Credit rating assigned to Chennai Petroleum Corporation Ltd. for various debt instruments by rating agencies is given below:

INSTRUMENT	RATING AGENCY	RATING
Short term borrowings / PCFC (including BG)	CRISIL, ICRA and CARE	AAA
Commercial Papers	CRISIL and ICRA	A1+
Debentures	CRISIL, ICRA and CARE	AAA

z) No funds have been raised through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) during 2021- 2022.

aa) OUTSTANDING GDRs/ADRs/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

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

bb) EMPLOYEE STOCK OPTIONS:

No Employee Stock Options was given during the Financial Year 2021-2022.

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

The Company has not entered into any commodity hedging transactions during the year 2021-2022.

dd) 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]

ee) ADDRESS FOR CORRESPONDENCE:

Chennai Petroleum Corporation Limited, No.536, Anna Salai, Teynampet, Chennai – 600 018
Phone: 044-24349833 / 24346807
Email: shankarp@cpcl.co.in and sriramas@cpcl.co.in

ff) Company's website address: www.cpcl.co.in

Directors' Report

To the family of CPCL Shareowners,

On behalf of the Board of Directors of your Company, I am pleased to present the 56th Annual Report on the working of your Company, together with the audited statement of Standalone and Consolidated Accounts, Auditors' Report and the Report of the Comptroller and Auditor General of India on the accounts for the year ended March 31, 2022.

PERFORMANCE REVIEW

Financials (Standalone and Consolidated)

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

(₹ in Crore)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Gross Turnover	60402	41814	60402	41814
Profit Before Finance Cost, Depreciation and Tax	2748	2119	2742	2113
Finance Cost	412	375	412	375
Depreciation, Amortisation and Impairment	504	467	504	467
Profit Before Tax (before Share of Profit of Joint Ventures)	1832	1277	1826	1271
Share of Profit of Joint Ventures	-	-	16	25
Profit Before tax	**1832**	**1277**	**1841**	**1296**
Tax Provision	489	1039	489	1039
Profit After tax	**1342**	**238**	**1352**	**257**

Analysis of Profitability

The Company posted substantial higher Profit Before Tax of ₹ 1,832 crore higher by 43%. Pursuant to the option of moving to new taxation regime, the taxation was lower at ₹ 489 crore. The Profit After Tax (PAT) hence was significantly higher at ₹ 1,342 crore as against ₹ 238 crore in the previous year.

The above was achieved in the backdrop of continuing Covid/ Omicron threat, particularly in the first half of the year and major shutdown for maintenance in part of second and third quarter of the year.

The robust operations post shut down and higher cracks contributed significantly to the improved performance. The GRMs thereby increased from US $7.14/bbl in 2020-21 to US$ 8.85/bbl in 2021-22 .

Highlights

- During the FY 2021-22 your Company recorded an all-time high turnover of ₹ 60,402 Crore, PBT of ₹ 1,832 Crore and PAT of ₹ 1,342 Crore.
- 'Nil' comments received from C&AG for the financial year 2021-22 – 18th year in succession.
- Issued ₹ 775 Crore 3 years Bonds @ a coupon of 5.44% during June-2021 and listed in NSE and BSE.
- Eligibility certificate received from SIPCOT for an incentive from the Government of Tamil Nadu for our RESID up-gradation project.

Issue of Securities /Changes in Share Capital

During the year 2021-22, there is no change in the share capital of the Company. Your Company allotted 7,750 Unsecured, Non - Cumulative, Convertible, Redeemable, Taxable Debentures (SERIES II - 2022) of ₹ 10,00,000/- each aggregating to sum of ₹ 775/- Crores with an interest of 5.44% p.a. This was done in pursuance of strategy to take advantage of lower rates in the markets and also to balance the borrowing portfolio.

Dividend

Article 114 of the Articles of Association 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 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

Our Board has recommended a Dividend of 6.65% on the paid up outstanding preference share capital of the Company, representing ₹ 0.665 per preference share amounting to ₹ 33.25 crore for the year 2021-22. This will be paid along with arrears of previous years of ₹ 105.76 crore. The Board has recommended a dividend of 20% on paid-up Equity Share Capital of the Company as on 31.03.2022 amounting to ₹ 2.00/- per equity share.

Book Value and Reserves and Surplus

There has been significant accretion to the reserves of the Company due to enhanced profitability. The reserves and surplus as on 31st March, 2022 more than doubled to ₹ 2,641.32 Crore as compared to ₹ 1,275.66 Crore as on 31st March, 2021.

The book value per share of your Company as on 31.03.2022 increased significantly to ₹ 187.38 as compared to ₹ 95.67 as on 31st March, 2021.

Value Addition

The value addition during the year 2021-22 witnessed a steep increase at ₹ 3,835 crore as compared to ₹ 2,947 crore in the previous year.

Digital India Initiative

Your Company has achieved 100% digital transactions during the financial year 2021-22. The Company provides QR code based payment facility for its customers and integrated online receipt facility.

Contribution to Exchequer

Your Company has regularly been contributing to both state and Central exchequers in the form of duties and taxes. The details are as under:

(₹ in Crore)

Particulars	2021-22	2020-21
Central Exchequer	18124	19720
State Exchequer	798	485
Total	**18922**	**20205**

Capex

CPCL has incurred capital expenditure for the year 2021-22 of ₹ 634.90 Crore as compared to ₹ 583.13 Crore in the previous year 2020-21.

Public Deposit Scheme

Your Company has not accepted any public deposits during the year 2021-22 and no public deposit was outstanding as on 31st March, 2022.

₹ 1,342 Crores

Profit After Tax (PAT) during the year

Share Value

The highest and lowest market value of the Company's shares quoted in the stock exchanges for the period 1st April, 2021 to 31st March, 2022 are as under:

Stock Exchange	High	Low
NSE	₹151.80	₹93.00
BSE	₹151.80	₹93.00

Credit Rating

The Company's financial prudence is reflected in the strong credit ratings assigned by the credit rating agencies. The details of credit ratings are as under:

INSTRUMENT	RATING AGENCY	RATING
Short term borrowings / PCFC (including BG)	CRISIL,CARE and ICRA	AAA
Commercial Papers	CRISIL and ICRA	A1+
Debentures	CRISIL,CARE and ICRA	AAA

Transfer of Unclaimed Dividend to IEPF

No dividend amount / shares is required to be transferred to the Investor Education and Protection Fund (IEPF) as per Section-124 of the Companies Act, 2013 during the year 2021-22, as no dividend was declared in view of the losses for the FY 2013-14.

OPERATIONAL PERFORMANCE

PHYSICAL

CRUDE OIL THRUPUT (in TMT)	2021-22	2020-21
Imported	7208	6388
Indigenous	1833	1855
Total Throughput	9040	8243
PRODUCTION (in TMT)		
Light Ends	2178	2043
Middle Distillates	4842	4454
Lube Base Stock	195	152
Wax	23	19
Heavy Ends	1134	985
Intermediates differential	88	(58)
Other Inputs	(328)	(260)
Fuel and Loss	909	908
Total Output	9040	8243
Distillate Yield	74.9	76.4

(TMT = Thousand Metric Tonnes)

Operational Performance

Your Company achieved a throughput of 9.040 MMTPA in 2021-22 as compared to 8.243 MMTPA in the previous year. Crude throughput was lower due to product containment because of lower product demand on account of Covid-19 pandemic in Q1 and Refinery-III M & I shutdown in Q2. In spite of challenges faced due to Covid-19, your Company, through its dedicated employees ensured operations of the refinery in extremely difficult and challenging conditions. Refinery operations were sustained and supply of LPG, MS, and HSD was ensured to the market.

HSD Export to Srilanka

Your Company clocked the highest ever production in respect of the following despite challenges on Covid:

- Hexane - Production of 26.7 TMT against previous best of 22.5 TMT in 2020-21.
- HSD BS VI - Production of 3,935 TMT against previous best of 3,736 TMT in 2020-21.

Some of the other highlights of operational performance during the year are as under:

- The distillates yield achieved for FY 2021-22 was 74.9% as compared to 76.4% in 2020-21.
- The Energy Intensity Index (EII) for FY 2021-22 was 96.2 as compared to 102.3 in the year 2020-21.
- The specific energy consumption achieved for FY 2021-22 was 82.6 as compared to 86.5 in the year 2020-21.
- Operational availability during the year was 96.5% as compared to 92.6 % in the previous year.
- Fuel and Loss was lower at 9.7 wt % as compared to 10.7 wt % in the previous year.
- Exported BS-VI HSD (Flashpoint: 55°C) in Jun'21 and subsequently two more parcels were exported in Jul'21 and Dec'21, through IOC-BD to Bangladesh.
- Produced new value added product MTO and product sales commenced from Jun'21 onwards. Achieved the highest MTO dispatch of 2.33 TMT in Dec'21.
- Successfully processed two new crude Bonga from Nigeria (TAN: 0.6) and Sapinhoa (high N^2) from Brazil. This is the first crude processed by CPCL from Latin American Region.
- Post completion of Refinery III M&I shutdown, all crude and secondary unit T'puts were maximised (CDU combined T'put increased to 10% above design, OHCU T'put raised to 10% over design and FCCU T'put at 38% over design).
- Higher RLNG consumption of 283.2 TMT for FY 2021-22 against previous best of 260.4 TMT in 2020-21.

MOU PERFORMANCE

The rating received from DPE for the year 2020-21 is 'Very Good'. Your Company had signed an MoU with Indian Oil Corporation Ltd., the holding Company, setting the performance parameters and targets for the year 2021-22, as per the guidelines issued by the Department of Public Enterprises (DPE).

9.040 MMT

Throughput achieved by your Company

MARKETING

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

The details of sale of products through direct marketing by your Company during 2021-22 as compared to the previous year 2020-2021 are given below:

PRODUCT	SALE QTY (IN MT)	
	2021-22	2020-21
A: Downstream Products		
Linear Alkyl Benzene Feed Stock (LABFS)	77141	77965
Butene +Methyl Ethyl Ketone Feed Stock (MEKFS)	19802	20391
Propylene	34068	32404
Poly Butene Feed Stock (PBFS) +Lean PBFS	11695	12385
B: Other Products		
Paraffin Wax	23494	19420
Hexane	21876	23304
Sulphur	81125	77091
Petcoke	349349	303084
Mineral Turpentine Oil (MTO)	8159	0
Furnace Oil	4030	3570
TOTAL	630739	569614

During the year, your Company achieved substantial growth in the sale of products like Propylene, Paraffin wax, Petcoke and Sulphur through proactive marketing initiatives. Direct sale of products recorded an increase of about 11 %, from 570 TMT in 2020-2021 to 631 TMT during 2021-2022 in spite of Covid-19 pandemic situation.

RESEARCH AND DEVELOPMENT (R&D)

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

During the year various studies were carried out as under:

- Reduction of aromatic content in hydrocracker kerosene to meet rocket propellant requirement;
- Hydrotreatment of deasphalted oil to improve the process of Bright Neutral Lube Oil Base Stock production;
- Production of Light Neutral Lube Oil Base Stock from Un-converted Oil by dewaxing process.

PROJECTS

Your Company pursues projects that enhance product quality and meet operational necessities. Your Company achieved a capex of ₹ 634.90 crore, during the year.

COMPLETED PROJECTS

RLNG Project

During the year, all balance units such as Boiler IV & V, HGU 205 were converted and commissioned. Secretary, MoPNG inaugurated HGU 205 in Oct 2021.

Shri Tarun Kapoor, IAS, Secretary, MoPNG visit to CPCL Refinery

Fuel Quality Upgradation Project

During the year, as part of Fuel Quality Upgradation project, your Company has commissioned the new Instrument Air Compressor, associated dryer units and Demountable Flare.

Other Projects

To improve operational reliability and to increase the storage of raw water capacity of the refinery, your Company has completed installation and commissioning of booster pumps and laying of pipelines to receive TTRO water of CMWSSB at 4.0 MGR reservoir in Sep 2021.

PROJECTS UNDER IMPLEMENTATION

Pharma Grade Hexane Production at Manali Refinery

Your Company is envisaging production of Pharma Grade Hexane in the Isomerisation Unit. BDEP has been completed and the EPCM contract has been awarded for proceeding with project implementation. The estimated cost of the project is ₹ 43.53 Crore and the anticipated completion is by Jul 2023. The physical progress is 35.1 % as of 31.05.22.

₹ 634.90 crore

Capital expenditure

CBR 9 MMTPA Project

Your Company is setting up a new grassroot refinery of 9 MMTPA capacity at Nagapattinam, in JV mode with IOCL and other strategic partners. The new refinery will be set up in an area of about 1,300 acres. This new refinery will produce Petrol and Diesel of Bharat Stage-VI specifications and Polypropylene as a value added product, at a Project cost of ₹ 31,580 Crore. Further investment of about ₹ 4,000 Crore will flow into the project from other stakeholders on 'Build Own and Operate' (BOO) basis.

FCC-GDS, FCCU Flare system switched over to Demountable Flare and commissioned on 12.08.21 and 20.08.21, respectively

Chief Minister of Tamil Nadu handed over Govt. Order for land acquisition to Chairman

All consultants have been lined up and detailed engineering and tendering activities are in progress. Site enabling works have also commenced. In addition to the existing 618 acres of land, acquisition of a further 606 acres from Government of Tamil Nadu is in advanced stage. The project is expected to be completed by June 2025.

9 MMTPA

Capacity of new refinery

Board meeting in CBR, Nagapattinam, to kick off project activities

Kick-off meeting with consultants

FUTURE PROJECTS

Group II LOBS Project

Your Company is planning to implement a project for production of Group II Lube Oil Base Stocks. First stage approval for the project has been obtained. Pre-project activities such as selection of licensors, Environment studies and selection of EPCM consultant are in progress.

INFORMATION TECHNOLOGY

Your Company has implemented the Digital initiatives for Inspection Modules and Internal Safety Audit System during the year.

HEALTH, SAFETY AND ENVIRONMENT

RESPONDING TO CHALLENGES OF COVID-19

Your Company continued to follow Covid-19 related protocols which were implemented as per the guidance of MOH&FW and Health Ministry of Tamil Nadu. Medical Support was rendered to all employees, and stakeholder during the Covid-19 pandemic waves. Vaccination drive was carried out for all employees, their family members, Indco-serve, CISF, Apprentices and contract workers.

This was instrumental in successfully completing Covid-19 free M&I shutdown 2021 without a single case of Covid-19 positive reporting, amidst the pandemic.

Your Company maintained its initiatives even after easing of Covid-19 by extending assistance to various stakeholders as under:

Strengthening the Health care Infrastructure:

- Supported the Central and state governments by setting up 6 PSA Oxygen Plants in 4 government hospitals, 2 each in Kerala and Karnataka to improve the health care infrastructure, tackle the second wave of pandemic and to avert the oxygen shortage.

Support to Government

- Supported the Covid Warriors such as police personnel of Mamallapuram sub division by averting social gathering in this World Heritage Monument and sustain the livelihood of the people dependent on tourism.

- Supported the Government of Tamil Nadu under the Namakku Naame Thittam in developing the Chennai City Clean and Green in setting up of Water Fountain at MMDA Park, Mathur and 200 ft road lorry parking yard.
- Supported the Additional Principal Chief Conservator of Forest and Director, Arignar Anna Zoological Park (AAZP) in constructing a toilet block (opposite to Ostrich enclosure) for the use of the public to upkeep hygiene and sanitation.

Community support

- Distributed 7500 Kg rice packets of boiled rice to the North Chennai people.
- Distributed relief materials such as groceries to support the livelihood of 837 North Chennai people affected due to flood devastation.

Distribution of flood relief materials

7,500 kgs

Rice packets of boiled rice was distributed

- Information, Education and Communication (IEC) related to Covid-19 in the form of awareness talk and distribution of pamphlets and reusable fabric cloth face mask for the rural village community people in Ramanathapuram and Nagapattinam District of Tamil Nadu.

Health awareness campaign

837

People provided grocery support during flood devastation

- Provided Nutritious Meals and distributed school bags to the special children studying in the National Institute for Empowerment of Persons with Multiple Disabilities (NIEPMD) on account of International Day for Persons with Disabilities.

Supporting special children

Health

Your Company strives to achieve highest standards of excellence in providing health care to its employees including contract workers by ensuring a safe work environment and effective monitoring of various hazards in the refinery.

Various health promotion programmes were conducted for the wellbeing of the employees, as under:

- 'All about covid-19, Vaccination and Third wave (future)' by eminent specialist attended by 170 employees/retired employees.
- Webinar on 'Ergonomic principles in preventing Neck and Back pain' attended by around 75 employees.
- 'First Aid and Mental Health' and 'Woman Health and family welfare issue' Awareness programmes for CISF and their family members attended by 100 CISF personnel.
- Seven training programmes on 'Occupational Hazards and First Aid' were conducted and attended by around 350 Employees

Blood donation campaign

Voluntary Blood Donation Camp held at Occupational Health Services at CPCL for Dr. Rajiv Gandhi Government General Hospital, Chennai. Sixty employees including Managing Director contributed to the noble cause by donating blood on this occasion.

Safety

Your Company remains committed to the highest standards of safety and ensures utmost care and concern for the safety of its employees and refinery installations while carrying out its operations.

Total accident free days and fire free days achieved as on 31.03.2022 are 916 and 788, respectively.

Significant safety initiatives undertaken during the year include the following:

- Emergency Response and Disaster Management Plan (ERDMP) Manual of CPCL Manali Refinery and CPCL LPG bottling plants certified with validity up to September, 2024 and March, 2026 respectively in line with the latest PNGRB Regulations.
- Onsite Emergency Mock Drills conducted at Manali Refinery as per Emergency Response and Disaster Management Plan.
- Monthly Mock Drills conducted with different scenarios to check preparedness of our systems and healthiness of equipments.
- As a part of Behaviour Based Safety implementation, training programmes were arranged for 215 employees in the financial year. Thereafter, Behaviour Based Safety Portal was developed in CPCL Intranet for tracking the effective implementation.
- Ref-III major shutdown jobs completed without any incidents. Round the clock safety surveillance was ensured.
- Inherent Fire Retardant (IFR) suits made compulsory for all employees and workers before entering into plant. IFR suits are issued to eligible employees in this regard.
- Radar speed guns were purchased and installed at 4 locations in the refinery for round the clock vehicle speed monitoring. Recordings and Data are being collected.
- Vertigo model installed at the refinery to test worker's height phobia before assigning him to work at height.

Visit to plant area by MD, D(O) and other officials wearing IFR Suit.

Safety Audits conducted during the year were as under:

- PNGRB - T4S audit for LPG bottling plant between 14th March, 2022 to 16th March, 2022
- Pre-commissioning safety audit of Hydrogen Unit under RLNG Revamp Project on 30th September 2021 by OISD.
- Safety audit as per PESO guidelines, on 10th March, 2022 through PESO authorized agency.
- LOTO system audit was conducted.
- Audit of the entire refinery structures was done to identify weak/corroded structures and unsafe ladders/platforms/ railings.

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

Environment

Your Company continues to demonstrate its concern for environment protection by devoting considerable resources to comply with the applicable rules and regulations, by undertaking several initiatives.

During the year, Energy Management System (ISO 50001) is being implemented and as part of EnMS. Energy Policy was framed.

During the year your Company retrofitted two boilers, one Gas Turbine and one Hydrogen Reformers for using RLNG, a cleaner fuel compared to Fuel Oil/ Naphtha.

Tree plantation by MD in Amullavoil village as part of AKAM

CPCL Stall at AKAM

In recognition of the Company's efforts in the areas of environmental protection, your Company was conferred with an award under the category 'Usage of Secondary Treated Water for Industrial Use for the year 2021' during Virtual Water Conclave and Awards 2021 organised by FICCI (Federation of Indian Chambers of Commerce and Industry), Tamil Nadu Council supported by Municipal Administration and Water Supply Department, Government of Tamil Nadu, for best utilisation of Secondary Treated City Sewage Water of 15 MLD on continuous basis to produce Industrial water (Demineralised plant feed water that is RO water) through Tertiary Treatment Plant at CPCL since 1990.

ENERGY CONSERVATION

Your Company continues to give focused attention to energy conservation and makes consistent efforts to monitor and optimise energy usage.

During the year, your Company achieved an MBN and Energy Intensity Index (EII) of 82.6 and 96.5 (Best achieved) respectively as against 86.5 and 104.5 in 2020-21. Eleven energy conservation measures were implemented successfully during the year 2021-22. This resulted in energy savings of 42,810 Standard Refinery Fuel Tonne (SRFT) per annum which is approximately 0.43% reduction in F&L. The details of energy conservation measures are given in **Annexure I**. Mandatory Energy Audit (MEA) by PCRA was carried out from 2[nd] to 18[th] August, 2021.

As per the M/s Solomon Associates Benchmarking Study 2020, the overall performance of your Company was better when compared to the previous year, as one quartile improvement was observed in most of the Performance Indicators. Solomon opined that EII (Energy Intensity Index) of your Company is on improving trend w.r.t process unit utilisation and FCCU performance was well appreciated by Solomon.

Saksham Cyclothon 2022

RELIABILITY IMPROVEMENT INITIATIVES

1) **Remote Monitoring of BHEL Gas Turbines by M/s BG-GTS, ROC Hyderabad.**

   Your Company as part of its reliability improvement, implemented its first predictive analytics system by remote monitoring services of GT through M/s. BG-GTS (BHEL GE Gas Turbine Services). Accordingly, GT's are currently equipped with 24X7 remote monitoring services of M/s. BG-GTS with predictive analytics feature. Real time data of GT's is being transferred securely through dedicated BSNL leased line to BG-GTS - RMD center at Hyderabad.

2) Upgrade of Critical Control Systems.

The obsolete control systems (DCS, PLC, SCADA and Anti-Surge) in critical units in Refinery-III were replaced during M&I shutdown. All the new control systems are state of the art systems with advanced diagnostics and enhanced safety features, thereby ensuring reliability.

3) Medical Oxygen during Covid-19 – Second Wave.

During the second wave of Covid-19, to bridge the gap of oxygen demand, O_2 produced as a By-product in N_2O_2 unit was supplied to cater medical needs of Covid-19 patients. The R&D centre was re-structured as makeshift hospital to treat patients with medical grade oxygen. Necessary analysers and instruments were procured to ensure 99.9% pure medical oxygen was supplied un-interruptedly to the hospital.

Medical O2 Analyser Shed

4) Ultrasound predictive maintenance technology.

Your Company has used ultrasound analysis , a predictive maintenance (PdM) tool for monitoring the condition of bearings, cavitation detection in pumps, leak detection, mechanical inspection, electrical Inspection, electric arc flash detection, steam trap maintenance, and valve testing, to improve reliability of both electrical and rotating assets.

HUMAN RESOURCES

Your Company believes in holistic and meaningful employee engagement and the development of its human resources. Integrated HR practices through focused recruitment, career path and learning and development contributed to the future readiness of the workforce. Your Company has a structured and robust succession planning framework for the identification and development of talent for the leadership pipeline.

Manpower Details:

The strong, dedicated and resilient workforce of 1,486 continued to perform their duties, despite challenges posed by Covid-19 to fuel the country. The total number of employees as on 31st March, 2022 includes 753 Executives and 733 Non-executives.

New Initiatives

The following initiatives were taken up by your Company during the year 2021-22:

- Competency Development Programme conducted in premier institutes such as XLRI and IIM, Kozhikode on Relationship Leadership, Business Result Leadership and Operational Leadership.
- Comprehensive welfare facilities provided to employees to take care of their health, efficiency, economic betterment, and so on, and to enable them to give their best at the workplace.
- Supports participative culture in the management of the enterprise and has adopted a consultative approach with collectives, establishing a harmonious relationship for industrial peace, thereby leading to higher productivity.
- **E-Learning Modules:** During the year four (04) new modules such as Heater Operation, Protection of CPCL Electrical Equipment, Reservation for SC/ST/OBC in Service and CDA Rules and Standing Orders were rolled out for employees.
- During the Covid-19 pandemic, your Company took several initiatives to ensure the safety and well-being of the employees as well as its frontline workers engaged with its business partners.
- Engaged apprentices under various categories like Trade/ Technician/ Graduate. The apprentices were imparted practical inputs with a structured monitoring and assessment methodology.

Training: Learning and Development

Your Company's strong leadership development philosophy is based on the belief that an empowered individual utilises opportunities and rises above others to take complete ownership of a task and makes significant differences. Your Company has made significant progress on this front, to develop flagship programmes that encourage leadership skills at all levels. Different types of training programmes have been formulated for employees at different levels, based on their roles in the organisation.

During the year 2021-22, your Company has achieved 2.89 Average Training Man days against the target of 2.5 Man days. 160 webinar training programmes have been conducted and 1,198 employees have attended.

Other initiatives in the areas of Training are as under:

- Conducted seven batches of Simulator training (5 days' programme).

- Relationship Leadership Competency Development Programme conducted by XLRI in 4 batches (2 days per batch) for employees in Grades C, D, E, F and G.
- Business Result Leadership Competency Development Programme conducted by IIM, Kozhikode in 2 batches (2 days per batch) for employees in Grades D, E and F.
- Operational Leadership Competency Development Programme conducted by IIM, Kozhikode during February 2022 (2 days) for Grade C.
- Change Leadership Competency Development Programme conducted by IIM, Kozhikode during February 2022 (2 days) for Grade C.
- 11 days mid-career training for officers having experience of more than 10 years was conducted in 2 batches during December, 2021 and February, 2022.
- Learning Management System was developed and the same is in the implementation phase.

Inauguration of RESOT

Reservation in respect of SC/ST/OBC/PWD

Your Company has been following the Presidential Directives and various instructions of the Government relating to the welfare of the SC / ST / OBC / PwBD (Persons with Benchmark Disabilities) / Ex-Servicemen / EWS (Economically Weaker Section). Rosters are maintained as per the directives and are regularly inspected by the Liaison Officer(s) of the Company as well as the Liaison Officer of the Government of India to ensure proper compliance.

Out of the total manpower, there were 321 SC employees (previous year: 346) and 48 ST employees (previous year: 49) as on 31st March, 2022, constituting 21.60% and 3.23% of the total manpower respectively.

In accordance with the Presidential Directive, the details of representation of SCs/STs/OBCs in the prescribed proforma are attached as ***Annexure II***.

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

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

Your Company is committed to prevention of sexual harassment of women at the workplace and takes prompt action in the event of reporting of such incidents. In this regard, an Internal Complaints Committee has been constituted to deal with sexual harassment complaints and conduct enquiries, if any. Regular workshops were organised, especially for women employees to bring awareness about their rights and facilities at the workplace emphasising the provisions of the Act. There were no complaints of sexual harassment during the year.

Women Empowerment:

Your Company gives special focus to the various facets of women development plans and programmes. As on 31st March, 2022, 79 women employees are on the rolls of the Company, of whom 59 are in the supervisory cadre and 20 are in non-supervisory cadre, constituting 7.83% of the total supervisory employees and 2.73%of the total non-supervisory employees.

Two meetings with the representatives of Women Cell were conducted to encourage the well-being of women employees.

International Women's Day was celebrated on 08.03.2022 at Crowne Plaza, Chennai. Chief Guest Tmt I. S. Mercy Ramya, IAS, Joint Commissioner, Commercial Tax Department and Special Invitee Brahma Kumari Sister. Kowsalya, RajYoga Teacher shared their experience on women empowerment.

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

Your Company's CSR activities focus on improving the lives of the poor and the needy. The thrust areas of CSR activities include safe drinking water, health care , sanitation, education, employment enhancing vocational skills, empowerment of women and economically and socially backward groups, environment sustainability and so on. The CSR activities are predominantly undertaken in the vicinity of the Company's installations to improve the quality of life of the communities including the marginalised groups such as SC/ST/OBC and the disabled. The CSR Policy of the Company can be accessed on the website of the Company under the link https://www.cpcl.co.in/policies.

As the average of Net Profits for the preceding three years was negative, there was no mandate to spend amount towards CSR for the year 2021-22. Despite this, to sustain the ongoing CSR projects, CPCL had spent a sum of ₹ 806.23 lakhs, of which ₹ 12.54 lakhs was spent on health care CSR activities in Muttam near the Cauvery Basin Refinery.

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

Corporate Environment Responsibility (CER):

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

- Running of 2 Community Health Care centres at Manali and Thirunalai in Chennai providing free primary health care for poor people.
- Supported the Central and state governments in augmenting the supply of medical grade oxygen to hospitals and other institutions giving Covid care to patients by procurement of oxygen concentrators and oxygen cylinders.
- Supported the District Administration of Nagapattinam with one unit of mobile X-ray unit with Computed Radiography Machines, UPS and additional cassettes for Covid designated Government Hospital in Nagapattinam District.
- Supported the District Administration of Nagapattinam in Environment Management in the form of Avenue Plantation, plantation in community areas and solid waste management in Nagapattinam district.

VIGILANCE

Vigilance Department of your Company ensures maintenance of the highest level of integrity throughout the Organisation and continues to vigorously pursue and lay emphasis on preventive vigilance measures. Vigilance department is functioning not just as an investigating agency for punitive action but takes proactive and participative measures, to propagate the concept of 'Vigilance for Corporate Growth' with a special emphasis on establishing transparent systems and procedures.

During the year, various system improvement measures, such as 'developing a computerized system for issue of tools to contractors from Maintenance Tool Room, to enable easy tracking and return of tools' have been incorporated. In line with CVC's guidelines, notice inviting tenders, tender documents and details of purchase orders and contracts awarded, including those awarded on nomination basis are

hosted on the Company's website. As per the guidelines of Central Vigilance Commission a separate audit on 'Integrity of Automated Systems' in the organisation has been done to identify vulnerability for cyber crimes/frauds and other malpractices and recommendations to be taken to overcome the same. The audit recommendations are being taken up for implementation.

Your Company is committed to redress the vigilance complaints in time and a provision is made available in CPCL's website to lodge the complaints.

Your Company has implemented the Integrity Pact (IP) as per the guidelines of the Central Vigilance Commission. All tenders with an estimated value of ₹ 75 Lakhs and above are covered by Integrity Pact. Periodical meetings with Independent External Monitors (IEMs) are also being held by the Management once in every quarter.

To increase vigilance awareness, training programmes on 'Preventive Vigilance and PIDPI Complaint Handling System' for newly joined Engineers and for the employees who have completed 15 years of service were organised.

Vigilance Awareness Week (VAW) was observed from 26th October, 2021 to 1st November, 2021 on the theme 'Independent India @ 75 : Self Reliance With Integrity'.

There were no pending disciplinary proceedings or prosecution cases as on 31st March, 2022.

PUBLIC GRIEVANCES

Your Company always ensures timely redressal of the public grievances on time. Contact details of Public Grievance Officer are displayed on the website of the Company under the link https://www.cpcl.co.in/connect/citizen-charter/public-grievance. During the year 2021-22, 10 public grievances were received and disposed of in time.

CORPORATE GOVERNANCE

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

BUSINESS RESPONSIBILITY REPORT

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

AUDIT COMMITTEE

The composition of the Committee as on 31st March, 2022 is as under:

- Mr. Myneni Narayana Rao- Independent Director-Chairman
- Mr. Amitabh Mathur–Independent Director- Member
- Mr. Deepak Srivastava – Government Nominee Director-Member

Director (Finance) is the permanent invitee.

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

CODE OF CONDUCT

The Board of Directors of your Company has formulated a code of conduct for the Directors and Senior Management Personnel, which was circulated to all concerned and hosted on the Company's website. The code can be accessed at http://www.cpcl.co.in/code of conduct. The Directors and Senior Management Personnel have affirmed compliance with the code of conduct and the same was informed to the Board at the meeting held on 27.04.2022.

RISK MANAGEMENT

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

The composition of Risk Management Committee as on 31.03.2022 are as under:

- Mr.Arvind Kumar, Managing Director – Chairman of the Committee
- Mr.Rajeev Ailawadi, Director (Finance) - Member
- Mr.S.Krishnan, Director (Operations) - Member

- Mr.H.Shankar, Director (Technical) - Member
- Mr.Myneni Narayana Rao, Independent Director - Member
- Ms.Sukla Mistry , Director (Refineries), IOCL - Member

The Action Taken Report on the Risk Management Policy for the Financial Year 2021-22 containing the mitigation measures on various High, Medium and Low risks were reviewed by the Risk Management Committee, Audit Committee and the Board at the meeting held on 27.04.2022.

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 and efficiency of operations, protecting assets from unauthorized use or losses and ensuring reliability of financial and operational information.

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

The Statutory Auditors, in their report dated 27.04.2022, 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, 2022 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. Padmanabhan, Ramani and Ramanujam, Chartered Accountants, were appointed as Statutory Auditors of the Company for the financial year 2021-22 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 in addition to out-of-pocket expenses, if any, and applicable GST.

There are no qualifications in the Statutory Auditors report dated 27.04.2022 on the annual accounts for the financial year 2021-22.

COST AUDITORS

M/s. Vivekanandan Unni and Associates, Cost Accountants, Chennai were appointed as the Cost Auditor of the Company for the Financial Year 2021-22 at the remuneration of ₹ 2,75,000/- plus applicable taxes and out-of-pocket expenses, if any, to conduct the audit of Cost Accounts maintained by the Company subject to ratification by the shareholders in the Annual General Meeting.

The cost audit for the year 2020-21 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 2021-22 would also be filed within the stipulated time.

SECRETARIAL AUDIT

Your Company has appointed M/s.A.K.Jain and Associates as the Secretarial Auditors, for the year 2021-22. This is the third year of appointment.

The Secretarial Audit Report for the year 2021-22 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. and the findings are as under:

i) Non-appointment of minimum Independent Directors- Reg 17.

ii) The Nomination and Remuneration Committee has been reconstituted on 27.04.2022 with 2/3rd Independent Directors in line with (SEBI LODR) which was effective from 01.01.2022- Reg.19.

iii) During the year under review the Risk Management Committee has met once on 28.04.2021 and the second meeting was held on 27.04.2022. The gap between two meetings is more than 180 days-Reg.21.

It is clarified as under:

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

ii) The Company has complied with the Regulation 19 on 27.04.2022 within 30 days from the end of the quarter ended 31.03.2022. as per the Standard Operating Procedure of Stock Exchange.

iii) In view of the need to review the Action Taken Report on the risks related to financials after the closure of Accounts for the FY 2021-22, the second meeting was held on 27.04.2022 , with the gap of more than 180 days.

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

Your Company being a Government Company, the selection and appointment of Directors, their terms of appointment and the remuneration payable to them, are decided by the Government of India as per applicable guidelines and not by the Board of Directors.

In view thereof, the terms of reference of Nomination and Remuneration Committee do not include the terms provided under the Companies Act, 2013. The performance evaluation of all directors, excluding directors representing Naftiran Intertrade Company, one of the promoters of the Company, is carried out by the Administrative Ministry (MoPNG), Government of India, as per applicable guidelines. The above is in line with the exemption provided to Government Companies by the Ministry of Corporate Affairs.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

One separate meeting of Independent Directors (4th) was held on 26.11.2021

REPORTING OF FRAUDS BY AUDITORS

The Auditors in their report for the year have not reported any instance of fraud committed by the officers/employees of the Company.

PUBLIC PROCUREMENT POLICY FOR MSMEs

The details of the actual values of total procurements of materials and services (total value of products excluding Crude, Gas, Power and License Fee) by your company during the financial year 2021-22 as against the target fixed by the Government of India are given below:

Sl. No.	Details	Value of procurements ₹ Crores (excluding Crude, Gas, Power and License Fees)	% age target achieved	Target set by the Government
1	Total value of procurements	655.06		
2	Procurements from MSEs (General, Reserved SC/ ST & Women)	339.53	51.83%	25%
3	Procurements from Reserved SC/ST MSEs	58.06	8.86%	4%
4	Procurements from Women MSEs	8.99	1.37%	3%

MSEs procurements target for FY:2022-23

Your Company has earmarked 25% of total procurements to be made from the MSEs for the FY:2022-23 in accordance to the PPP for MSEs Order 2012 of the Government of India. Out of this 25% target, 4% is earmarked for procurements from Reserved SC/ST MSEs and 3% is earmarked for procurements from Women owned MSEs.

Procurement from GeM Platform

Procurement from GeM portal accounted for 38.87% of the total procurement during the year 2021-22 as against the GoI target of 25%.

During the year, 4,931 tonnes of scrap were sold through E-auction fetching ₹ 20.27 Crore.

During the year, three meetings were held with SC / ST and general vendors for increasing participation in the procurement process. Your Company also participated in the other MSE Vendor development meets conducted by other organisations.

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 ₹ 866.74 crore during the year 2021-22, as against ₹ 699.42 crore in the previous year. The Profit after Tax for the year 2021-22 was ₹ 31.70 crore as against ₹ 51.15 crore in the previous year. The Board of IAL has recommended a dividend of 67% for the financial year 2021-22.

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.

₹ 866.74 Crore

Revenue from operations of IAL

RELATED PARTY TRANSACTIONS (RPTs)

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

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

REPORT ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS

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

PARTICULARS OF EMPLOYEES

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

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

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

1) The tenure of Mr. D. Duraiganesan, Independent Director, was completed on 13.08.2021

2) Mr.Arvind Kumar has been appointed as the Managing Director effective 27.08.2021

3) Ms.Sukla Mistry has been appointed as a Director representing, IOCL on the Board of CPCL effective 16.11.2021, in place of Mr. Manoj Sharma .

4) Mr.Ravi Kumar Rungta and Dr. C.K. Shivanna have been appointed as Independent Directors by the Ministry of Petroleum and Natural Gas, Government of India , on the the Board of CPCL effective 16.11.2021

5) Mr. Deepak Srivastava, Deputy Secretary, Ministry of Petroleum and Natural Gas, Government of India has been appointed as Government Director on the Board of CPCL effective 10.08.2021 in place of Mr. Sukh Ram Meena.

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

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

INDEPENDENT DIRECTORS

The Company received the Certificate of Independence from the Independent Directors confirming that they meet the criteria prescribed for Independent Directors under the provisions of the Companies Act, 2013, and SEBI (LODR). The Independent Directors have confirmed that they have registered with the database maintained by the Institute of Corporate Affairs (IICA) under the Ministry of Corporate Affairs. The Company being a Government Company, the power to appoint Directors (including Independent Directors) vests with the Government of India. The Directors are appointed by following a process as per laid down guidelines. In the opinion of the Board, the Independent Directors have the requisite expertise and experience. A separate meeting of Independent Directors was held during the year as per provisions.

BOARD MEETINGS

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

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 the Directors is carried out by the Administrative Ministry, such as the Ministry of Petroleum and Natural Gas (MoPNG), as per laid-down evaluation methodology.

DETAILS OF LOANS / INVESTMENTS / GUARANTEES

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

ANNUAL RETURN

As required under the provisions of the Companies Act, 2013, the Annual Return is being hosted on the Company's website and can be accessed from the link: https://www.cpcl.co.in/investors/financials/statutory-disclosures/

COMPLIANCE WITH SECRETARIAL STANDARDS

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(5) 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, 2022, 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, 2022, on a going concern basis;

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

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

RIGHT TO INFORMATION

Your Company complies with The Right to Information Act, 2005. In accordance with the provisions of the RTI Act, necessary disclosures have been made on the website of the Company under the link https://www.cpcl.co.in/connect/citizen-charter/right-to-information/

A total of 95 requests, 2 first appeals were received and responded during the year. There were no second appeals during the year.

OFFICIAL LANGUAGE POLICY

The directives issued by the Official Language Department, Ministry of Home Affairs, Government of India from time to time were complied with in your Company being a CPSU.

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

Hindi classes were conducted on line for the benefit of employees. Hindi exams were conducted by Hindi Teaching Scheme for the employees in Manali Refinery in November, 2021.

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

Your Company celebrated Hindi Day on 14.09.2021 online. As a part of the celebration, Hindi essay competition was held for employees of Region A&B and Region C. Hindi calligraphy competition was conducted for employees of 'C' Region. Functional Directors, MD, CVO, CGMs, DGMs, officers and employees participated in the celebration. Prizes were distributed to the winners of the competitions.

Special prize was awarded to your Company during the 9th TOLIC Meeting on 15.12.2021 for publishing House Magazine in Hindi as a part of Implementation of official language in the Company during the year 2020-21. The award was received by the Chief General Manager (HR) i/c from the Chairman, Port Trust & Kamarajar Port Limited in the presence of Executive Director (South), FCI and Chairman TOLIC (PSU), Chennai. Your Company received the third prize in Hindi Singing Competition-Inter PSU, Chennai, held as a part of TOLIC competitions.

ACKNOWLEDGEMENT

Your Board of Directors acknowledge with sincere appreciation the unstinted support and co-operation of all the employees in ensuring continued refinery operations during the Covid-19 pandemic.

Your Board of Directors would 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 Mr. Duraiganesan, Mr. Sukh Ram Meena and Mr. Manoj Sharma during their tenure on the Board.

For and on behalf of the Board

(S.M.VAIDYA)
Chairman
DIN – 06995642

Place: New Delhi
Date: 19.07.2022

Annexure - I

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

A. Conservation of Energy:

i. **The following major Encon measures were undertaken taken in 2021-22**

ii.

S. No.	Schemes	SRFT
1	APH replacement in CDU/VDU - III Heater	3200
2	Incinerator WHB replacement in Plant 210	200
3	Bypass facility for ISOM condensate pump	75
4	ISOM NHDT stripper excess reflux to Pt 201 Stabilizer	75
5	RLNG Conversion in Plant-205	32000
6	Additional Condensate recovery	800
7	High emissivity ceramic coating for CRU furnace tubes	300
8	Pre heat improvement in Plant-201	2500
9	OMS – HCO direct routing to BS-VI and LCO modification in HSD Blend header	2000
10	DCU Stripper feed heating using De-butaniser bottom	1660
	Total	**42810**

iii. **Steps taken for utilizing Alternate Sources of Energy:**

To harness the renewable sources of energy and to contribute to the global movement in reducing greenhouse gas emissions, CPCL has installed Wind mill with a capacity of 17.6 MW and was commissioned in the year 2007. The renewable energy portfolio of the Company also includes grid connected power and off-grid solar power. CPCL has solar roof top panels installed at different locations viz., Corporate office, Refinery and CBR. Total installed capacity of Solar panels is 330 kW.

In addition to the above, it is proposed to install Solar Roof Top Panels in Admin Buildings, Control rooms and Substations in CPCL Manali Refinery with a total installed capacity of around 915 KW. The green power generated from the Solar PV panels will be connected to the CPCL power system and consumed internally.

iv. **Additional Investments and proposals, being implemented for energy conservation:**

- Incinerator WHB replacement in Resid SRU
- Installing Hydrocom in DHDS MUG compressor
- Amine header interconnection
- Installing additional Heat Exchanger in TPA Circuit of ADU-II

B. Technology Absorption

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

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

1. **Study on evaluation of optimum dosage rate of dewaxing aid.**

   Lab scale study with new Dewaxing Aid (DWA) sample at different dosage rates had been completed for establishing the optimum dosage required for BN raffinate dewaxing process.

2. **Study on reduction of aromatic content in Hydrocracker Kerosene.**

   Pilot plant study to reduce the aromatic content by hydrogenation process using Hydrocracker Kerosene had been completed to meet the Rocket Propellant requirement.

3. Study on hydrotreatment of Deasphalted Oil (DAO)

Hydrotreatment of DAO had been carried out to improve the process of Bright Neutral Lube Oil Base Stock production.

4. Study on production of Lube Oil Base Stock (SN150) from Un-Converted Oil (UCO) by dewaxing

Lab scale dewaxing studies had been completed for checking the possibility of processing of UCO to produce SN150.

5. Dewaxing studies on lube distillates of various crude blends

Lab scale dewaxing studies had been completed using lube distillates obtained during processing of three different crude blends.

6. Tender Evaluation of FCC Catalysts, Additives & CO promoters

Technical Evaluation of tender samples of FCCU catalysts, ZSM-5 additive and CO promoter had been completed.

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

a. Technology imported : Nil

b. Year of Import : Not applicable

c. Has technology been fully absorbed : Not applicable

d. If not fully absorbed, area where this has not taken place : Not applicable

iii) Expenditure on R&D

(₹ in Crore)

Particulars	2021-22	2020-21
Capital	1.46	0.62
Recurring	5.69	5.64
Total	7.15	6.26
Total R&D expenditure as % of Gross Turnover	0.01	0.01

Foreign Exchange Earnings And Outgo

(₹ in Crore)

Particulars	2021-22	2020-21
Outgo	71.42	145.03
Earned	-	-

Annexure - II

SC/ST/OBC REPORT - I

ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCs/STs AND OBCs AS ON 01.01.2022 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 01.01.2022				No. of Appointments made during the calender year 2021 (Jan - Dec 2021)									
					By Direct Recruitment				By Promotion			By Deputation / Absorption		
	Total No. of Employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*	*13*	*14*	*15*
Group A Managerial / Executive Level	515	118	28	96	Nil	Nil	Nil	Nil	135	25	9	8	2	Nil
Group B Supervisory Level	250	53	10	97	3	1	Nil	2	36	10	2	Nil	Nil	Nil
Group C Workmen/ Clerical Level	745	159	10	334	1	Nil	Nil	1	205	38	4	Nil	Nil	Nil
Group D	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Group D (Semi-Skilled / Unskilled excluding Sweepers)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Group D (Sweepers)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	**1510**	**330**	**48**	**527**	**4**	**1**	**Nil**	**3**	**376**	**73**	**15**	**8**	**2**	**Nil**

SC/ST/OBC REPORT - II

ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCs/STs AND OBCs AS ON 01.01.2022 AND NUMBER OF APPOINTMENTS MADE DURING THE PRECEDING CALENDAR YEAR

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

Pay Scale (In Rupees)	Representation of SCs/STs/OBCs as on 01.01.2022				No. of Appointments made during the calender year 2021 (Jan - Dec 2021)									
					By Direct Recruitment				By Promotion			By Deputation / Absorption		
	Total No. of Employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*	*13*	*14*	*15*
70000 - 200000	151	28	5	32	Nil	Nil	Nil	Nil	32	4	4	1	1	Nil
80000 - 220000	166	38	10	23	Nil	Nil	Nil	Nil	33	6	1	3	Nil	Nil
90000 - 240000	83	22	4	19	Nil	Nil	Nil	Nil	31	9	1	2	Nil	Nil
100000 - 260000	52	16	7	14	Nil	Nil	Nil	Nil	10	1	2	Nil	Nil	Nil
120000 - 280000	38	10	2	7	Nil	Nil	Nil	Nil	17	4	1	Nil	Nil	Nil
120000 - 280000	18	3	-	1	Nil	Nil	Nil	Nil	9	1	-	2	1	Nil
120000 - 280000	7	1	-	-	Nil	Nil	Nil	Nil	3	-	-	Nil	Nil	Nil
Total	**515**	**118**	**28**	**96**	**0**	**0**	**0**	**0**	**135**	**25**	**9**	**8**	**2**	**0**

Annexure - III

ANNUAL REPORT ON CSR ACTIVITY

1.0 BRIEF OUTLINE OF THE CSR POLICY:

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

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

2.0 COMPOSITION OF COMMITTEE ON CSR & SD AS ON 31.03.2022

The Composition of Committee on CSR & SD as on 31.03.2022 is as follows:

1. Mr. Myneni Narayana Rao, Independent Director - Chairperson
2. Mr. M.B.Dakhili, Director (NICO) – Member
3. Mr Deepak Srivastava , Nominee Director (MoPNG, GoI) - Member
4. Mr. Rajeev Ailawadi, Director(Finance) - Member
5. Mr. H.Shankar, Director (Technical) – Member

3.0 AVERAGE NET PROFITS AND PRESCRIBED CSR EXPENDITURE:

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

Particulars	₹ in crore
Average Net profits for the last three financial years	(679.00)
Prescribed CSR Expenditure	NIL

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

NIL

5.0 DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR 2021-22

Despite the mandated CSR budget being Nil, an amount of ₹ 972.94 lakhs was spent for ongoing sustainable CSR projects during the FY 2021-22. The Manner in which the amount was spent during the financial year is attached.

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

Not applicable.

7.0 RESPONSIBILITY STATEMENT

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

Place: Chennai
Date: 23.06.2022

Managing Director & CEO
Chairman (CSR & SD Committee)

CSR & SD - Expenditure Details 2021-22

Sl. No.	CSR Project (or) Activitiy Identified	Sector in which the Project / Activity is covered	Projects or Programmes: (1) Local area or other (2) Specify the State and Districts where projects or programmes was undertaken	Amount outlay (Budget) Project or Program wise (₹ in lakhs)	Amount Spent on the Projects or Programs Sub-heads : (1) Direct Expenditure on Projects or Programs (2) Overheads (₹ in lakhs)	Cumulative Expenditure upto the reporting period (₹ in lakhs)	Amount Spent: Direct or through implementing Agency
1	Health center at Muttam, Nagapattinam	Health care	Local area/ Nagapattinam / Tamil Nadu	12.54	12.54	12.54	Direct
2	Mobile Medical Unit at Ramanathapuram	Health care	Others/ Ramanathapuram / Tamil Nadu	24.97	24.97	24.97	Helpage India
3	Mobile Medical Unit at Nagapattinam	Health care	Local area/ Nagapattinam / Tamil Nadu	25.14	25.14	25.14	Helpage India
4	Provision of Nutritious Meal to Special Children studying in NIEPMD	Health care	Others/ Kancheepuram / Tamil Nadu	0.50	0.50	0.50	National Institute for Persons with Multiple Disabilities (NIEPMD)
5	Setting up of PSA oxygen plant at Kerala and Karnataka states as per directions of MoPNG	Health care	Others/ Aluva & Pathanamthitta - Yadgiri & Chikkamagaluru / Kerala & Karnataka	492.23	500.19	500.19	Direct
6	COVID 19 relief material to North Chennai people	Health care	Local area/ Chennai / Tamil Nadu	3.23	3.23	3.23	Direct
7	Supply of Cold Chain Equipment for transportation and distribution of COVID -19 vaccination to State Health Department, Govt. of TamilNadu	Health care	Local area & Others/ Chennai & Other Districts / Tamil Nadu	0.00	150.00	150.00	Direct
8	Skill Development - Contribution towards stipend paid to apprentices engaged.	Skill Development	Local area/ Chennai / Tamil Nadu	198.75	198.75	198.75	Direct
9	Swachh Bharat Campaign& Awareness programme	Swachh Bharat	Local area/ Chennai & Nagapattinam / Tamil Nadu	2.36	2.36	2.36	Direct
10	Provision of Fountain under Namkku Nammae thittam thru GCC at MMDA Park, Mathur & Truck Parking Yard Madhavaram , Chennai	Swachh Bharat	Local area/ Chennai / Tamil Nadu	4.25	4.25	4.25	Greater Chennai Corporation
11	Provision of raincoat to Mamallapuram Police	Swachh Bharat	Others / Chengalpattu / Tamil Nadu	0.74	0.74	0.74	Direct
12	Maintenance of School Toilets	Swachh Bharat	Local area/ Chennai / Tamil Nadu	3.40	3.40	3.40	Through HMs of schools
13	Construction of Toilet Block towards improving sanitation facility at Arignar Anna Zoological Park (AAZP)	Swachh Bharat	Local area/ Chennai / Tamil Nadu	15.00	15.00	15.00	Zoo Authority of TamilNadu, Arignar Anna Zoological Park (AAZP)
14	Flood relief materials distribution to North chennai people	Disaster Management	Local area/ Chennai / Tamil Nadu	5.00	5.00	5.00	Direct
15	Contribution to Armed Forces Flag Day Fund	Livelihood Projects	Others/ PAN India	1.00	1.00	1.00	Direct
16	CPCL CSR Project 2020-21 impact assessment study	Others	Local area/ Chennai / Tamil Nadu	0.90	0.90	0.90	Loyola College Society, Loyola College
17	Administrative Overhead (Salary)	Others	Local area/ Chennai / Tamil Nadu	16.22	24.97	24.97	Direct
	TOTAL			**806.23**	**972.94**	**972.94**	

Annexure - IV

Padmanabhan Ramani & Ramanujam
CHARTERED ACCOUNTANTS

1F, ARUDHRA
NEW NO. 15, HABIBULLAH ROAD,
T. NAGAR, CHENNAI - 600 017.
PHONE : 4550 2182
4212 1451

Independent Auditor's Certificate on Compliance of Conditions of Corporate Governance

The Members,
Chennai Petroleum Corporation Limited
Chennai.

We have examined the compliance of conditions of Corporate Governance by Chennai Petroleum Corporation Limited (the Company) for the year ended on 31st March 2022, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and the guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India.

Management's Responsibility

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

Auditors' Responsibility

Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Listing Regulations and Guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI").

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE guidelines **except that the Company has not complied with the conditions with regard to minimum number of Independent Directors in the composition of the Board of Directors for the whole Financial year 2021-22**

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

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

P. Ranga Ramanujam
Partner
Membership no:022201
UDIN: 22022201AIIFTK8926

Place: Chennai
Date: 27/04/2022

Annexure - V

Management Discussion & Analysis FY 2021-22

Economic Review:

The last two years have been difficult for the world economy on account of the COVID-19 pandemic. Following a strong rebound in 2021, the global economy is entering a pronounced slowdown amid fresh threats from COVID-19 variants and a rise in inflation, debt and income inequality that could endanger the recovery in emerging and developing economies, according to the World Bank's latest Global Economic Prospects Report. Global growth is expected to decelerate markedly from 5.5 percent in 2021 to 4.1 percent in 2022 and 3.2 percent in 2023 as pent-up demand dissipates and as fiscal and monetary support is unwound across the world.

Advance estimates suggest that the Indian economy is expected to witness real GDP expansion of 8.7 % in 2021-22 after contracting in 2020-21. This implies that overall economic activity has recovered to the pre-pandemic levels. Almost all indicators show that the economic impact of the "Second Wave" in Q1 of 2021-22 was much lower than that experienced during the full lockdown phase in 2020-21 even though the health impact was more severe.

The surge in global commodity prices since mid-2021 has had a major impact on Oil majors. Crude oil prices increased by 36 % between August 2021 and February 2022, driven by a strong recovery in oil demand, with short-lived effects of the Omicron variant in late 2021, followed by geopolitical tensions and Russia's invasion of Ukraine in early 2022. The major rise in oil and gas prices in the second half of 2021, intensified by Russia's invasion of Ukraine, has underscored risks to energy security and affordability and the region's rising reliance on imported oil. Benchmark crude oil prices exceeded US$ 100/bbl in March 2022, the highest price level in more than a decade. Brent crude oil temporarily reached US$140/bbl as markets started to shun Russia's Urals oil and several countries banned imports of Russian oil. These strains were then intensified by Russia's invasion of Ukraine. Also, Southeast Asia has been hit hard by the pandemic, resulting in a 4% fall in GDP and a 3% drop in energy demand in 2020, followed by a smaller rebound in 2021.

According to Petroleum Planning & Analysis Cell Report, India imported 212.2 million tonnes of crude oil in 2021-22, up from 196.5 million tonnes in the previous year. This was, however, lower than pre-pandemic imports of 227 million tonnes in 2019-20.

Energy Scenario:

The events of the past year, as a recent report by the International Renewable Energy Agency (IREA) shows, "Sharpened investors interest" in sustainable and resilient assets, including renewables. A number of oil and gas companies have already set net-zero-emission targets to combat the climate change. Despite the current economic challenges, many are sustaining efforts to decarbonize their operations and their value chains.

Though the economies sank under the weight of COVID-19 lockdowns, addition of renewable sources of energy such as wind and solar PV increased at their fastest rate in two decades, and electric vehicle sales set new records. A new energy economy is coming into view, ushered forward by policy action, technology innovation and the increasing urgency to tackle climate change. There is no guarantee that the emergence of this new energy economy will be smooth and it is not coming forward quickly enough to avoid severe impacts from a changing climate. But it is already clear that tomorrow's energy economy promises to be quite different from the one we have today.

Renewable energy has great potential to reduce prices and dependence on fossil fuels in short and long term. Although costs for new solar PV and wind installations have increased, reversing a decade-long cost reduction trend, natural gas, oil and coal prices have risen much faster, therefore actually further improving the competitiveness of renewable electricity. However, how rapidly renewables can substitute fossil fuels hinges on several uncertainties and will depend on many factors.

Net Zero Emissions:

Direct air capture plays an important and growing role in net zero pathways. Capturing CO_2 directly from the air and permanently storing it removes the CO_2 from the atmosphere, providing a way to balance emissions that are difficult to avoid, including from long-distance transport and heavy industry, as well as offering a solution for legacy emissions. Air-captured CO_2 can also be used as a climate-neutral feedstock for a range of products that require a source of carbon. In the International Energy Agency (IEA) Net Zero Emissions by 2050 Scenario, direct air capture technologies capture more than 85 Million tons (Mt) of CO_2 in 2030 and around 980 MtCO_2 in 2050, requiring a large and accelerated scale-up from almost 0.01 MtCO_2 today. Currently 18 direct air capture facilities are operating in Canada, Europe and the United States. India is yet to venture into this effective technology of carbon capture facility.

The possibility to combust high volumes of low-carbon hydrogen and ammonia in fossil fuel power plants, provides countries with an additional tool for decarbonising the power sector, while simultaneously maintaining all services of the existing fleet. The relevant technologies are progressing rapidly. Co-firing up to 20% of ammonia and over 90% of hydrogen has taken place successfully at small power plants and larger-scale test projects with higher co-firing rates are under development. Ultimately, using large volumes of low-carbon hydrogen and ammonia in the power sector will help to establish supply chains and drive down costs through economies of scale and technological improvements, thereby complementing and mutually reinforcing the use of low-carbon in fuels in other hard-to-abate sectors such as long-haul transport and industry.

Modern forms of bioenergy can displace fossil fuels in transport, industry, clean cooking and power generation. Several countries have robust mandates to blend transport biofuels and policies to support co-firing, biogas and biomethane as well as modern cook stoves. To ensure the environmental benefits of bioenergy, feedstocks need to be sustainable and avoid competition with food production & should not have negative impact on biodiversity.

This scenario is very ambitious, requiring a wholesale transformation of the energy system over the coming decades. However, it is not fully aligned with the goal of net zero global energy system by mid-century. As noted already, this global goal is modelled in our Net Zero Emissions by 2050 scenario (NZE Scenario), which provides vital benchmarks and milestones for this report and for global progress towards a 1.5°C stabilisation in rising global average temperatures. Commitments and pledges are of course not enough on their own – implementation is the key. In the Stated Policies Scenario (STEPS), it should not be taken for granted that governments reach their aspirational targets, but a granular sector-by-sector look to be taken at the existing energy policies & measures and those under development, including the institutional and financial constraints that can affect when these policies are realised in practice.

Opportunities & Challenges:

To stay competitive and thrive in today's uncertain and volatile energy market that is characterized by major shifts in supply and demand dynamics, refiners must find ways to increase operational efficiencies, maximize productivity and produce refined products at lower costs. Most importantly, they must address crucial operational challenges to reduce risks that can impact profit and safety. While each refinery across the globe is configured differently and may serve different markets—making each facility distinctly unique—there are several common, high-impact challenges that refiners face in relation to variability, quality and reliability.

1. ***Profitability:***

   Refinery profitability is dependent on product cracks in the international market. While the product cracks were very low in the first half of 2021-22, they gradually improved during second half and were robust in Q4. However, sustenance of prevailing cracks is uncertain and dependent on various geo-political factors.

CPCL: *Path towards Excellence:*

During the first quarter of the FY 2021-22, physical performance was impacted by the 2nd wave of COVID-19. However, the company could achieve higher capacity utilisation in first quarter of current year as compared to previous year, due to identification of new export markets. Subsequently in Q2-Q3, major M&I shutdown of unit was also taken up.

During the 4th Quarter, the Company achieved many firsts in terms of physical performance, with capacity utilisation in excess of 110% and also low Fuel & Loss. Also, the product cracks improved from the multi-year lows witnessed in the last few quarters.

During the year, CPCL achieved substantial growth in the sale of products like Propylene, Paraffin wax, Petcoke & Sulphur through proactive marketing initiatives. Direct sale of products recorded an increase in spite of COVID-19 pandemic situation.

Backed up with robust physical performance and with improving cracks and also inventory gains, CPCL has reset OIDB loan interest by switching from fixed rate of interest to floating rate of interest resulting in interest cost savings.

Various ENergy CONservation (ENCON) measures were implemented successfully which resulted in energy savings of 48510 Standard Refinery Fuel Tonne (SRFT) per annum which was approximately 0.48% reduction in F&L and savings of ₹ 216 Cr.

This year has distinguished itself from the rest by holding many records and benchmarks.

Braving all the challenges, CPCL has performed well even during this difficult period and ensured operational excellence of the refinery and product supply to people of Tamil Nadu and industries without interruption. The credit for this exemplary performance of the company was due to the commitment and passion of our employees who braved the difficult conditions and ensured continuous operations. The strong, dedicated and resilient workforce of CPCL continued to perform their duties, despite challenges posed by COVID-19. CPCL not only ensured regular operations but also improved them with implementation of number of profitability improvement initiatives.

As part of profitability improvement, CPCL has identified number of schemes and some of the new projects are given below:

Group II LOBS Project:

CPCL is planning to implement a project for production of Group II Lube Oil Base Stocks for improved LOBS production. First stage approval has been received from CPCL / IOCL Boards and pre-project activities are in progress.

Pharma Grade Hexane Project:

As a value addition initiative, CPCL is planning to implement a project for Production of Pharma Grade Hexane, in addition to Food Grade Hexane. Process design has been completed and Engineering / procurement activities are in progress.

2. ***Increasing crude and feedstock variability:***

For many refiners that transform feedstock into high-quality fuels and other refined products, profitability can depend on how these challenges are managed. Refiners must ensure that key process units are kept running, regulatory requirements are effectively met, and systems are responsive and highly adaptive to changes in feedstock properties. Crude variability can affect product quality and unit reliability and hinder refiners from achieving process optimization, making efficient refining operations difficult to sustain. With the continued variability in oil supplies, operational issues are anticipated to intensify. Escalations in crude oil quality and variability appear to be progressing unabated by the recent plunge in crude oil prices.

To cope with these challenges, refiners must find ways to quickly identify and interpret changing crude oil properties and efficiently respond to new parameters. Determining how a new crude oil supply can affect a refinery operation requires thorough knowledge of that feedstock's specific properties, characteristics and contents.

The refiner's understanding about the quality of the crude oil processing, as well as the impact of blending potentially incompatible oils together, has an advantage by anticipating and better adapting to changing operating conditions and impacts. Failing to do so can result in unexpected shutdowns, short run lengths and production losses through increased system corrosion, fouling, catalyst poisoning and quality issues.

The ability to detect and predict impacts resulting from variability and blending is a focus of industry research today and has led to advancements in detection technologies and solutions that help to mitigate variability-related impacts.

CPCL Crude Availability: Robust Methodology

Security in Crude supply is the key to continuous operation and profitability of Manali Refinery. During the year 2021-22, 80% of CPCL's crude supply requirements were met through imports and the balance was allocated from indigenous sources. Crude supply position to CPCL was secured well by entering into term contracts mainly with government oil companies from various regions like Middle-East, Far-East, West African, Mediterranean etc., In addition, the crude basket of CPCL is also being increased continuously by identifying new crudes that can be processed in the existing refining facilities. At present CPCL has around 100 crude oils in crude basket, thus having the capability for crude procurement from multiple sources.

With regard to Erosion of margins due to variations in pricing of crude and products, CPCL's Refinery Business Optimisation model is able to optimise crude and product pattern in line with price trend. Natural hedging is available to a large extent. Further, the financial impact of price risk is also planned to be mitigated to certain extent though Risk management tools like Hedging transactions. Demand for the petroleum products was reviewed with IOCL and Spot Crude procurement regulated based on the projected product demand.

3. ***Maintaining Equipment Reliability:***

A major consideration for boosting a refinery's profitability and improving operational safety is to keep operating units running and available for service. However, the introduction of certain, difficult-to-detect contaminants can cause mechanical issues, such as corrosion and fouling, and may lead to problems in wastewater treatment systems.

Minimizing equipment fouling, reducing corrosion, removing contaminants and maintaining equipment in top operating condition are excellent ways to reduce these risks and sustain system reliability. These practices ensure peak operating performance and maximize production rates. For the highest degree of efficiency, the independent components, and the refinery system as a whole, should be cohesive.

Equipment reliability is a critical ongoing priority for refiners. Mechanical underperformance can lead to decreased efficiencies and system failures can result in unplanned downtime and lost production, which can be financially devastating in today's competitive market.

To enhance refinery equipment reliability, manage uncertainty and effectively minimize risks, refiners can invest in solutions that provide for improved system monitoring, including predictive analytics that allow them to anticipate potential impacts and get out in front of imminent problems. Process control technologies include options that enable compatibility testing of crude oil blends to determine whether or not fouling will be an issue.

Vigilance in operating rigor, quickly determining or even predicting negative impacts and being able to efficiently correct deviations from the operating process plan are keys to maintaining high equipment reliability. Wisely investing in monitoring tools, training, catalyst and chemical treatment programs is a proven strategy for consistent top performance.

Reliability Improvement Initiatives at CPCL: Process Excellence

To improve Reliability in operations and reduce unplanned S/D, Root Cause Analysis was done for all major unit interruptions and remedial measures recommended. Reliability improvement strategies have been developed and action plan prepared for implementation.

As a part of reliability improvement, CPCL implemented its first predictive analytics system. Accordingly, GTs are currently equipped with 24x7 remote monitoring services.

CPCL implemented Ultrasound Analysis, a predictive maintenance (PdM) tool to improve reliability of both electrical and rotating assets.

4. ***Refinery digital transformation:***

Digital technologies are being used to build, operate and maintain refinery assets with greater safety and efficiency. It is estimated that 80 % of plant losses are preventable and digital solutions can help capture some of these losses.

Digital transformation presents a game-changing opportunity to improve yield productivity, asset reliability and workforce effectiveness. Refiners need to sharpen their digital capabilities in three critical areas: Analytics in production, field force effectiveness and asset management.

Digitalization / Automation Initiatives at CPCL: Driving Efficiency

CPCL has achieved 100% digital transactions during FY 2021-22 and provides QR code based payment facility for its customers and integrated online receipt facility.

In CPCL, Information technology is integrated with all facets of refinery operations to promote growth & profitability, and accordingly new software and hardware systems have been implemented.

It is also proposed to utilise more digital technologies for improving the surveillance methods and for close monitoring of safety and security in CPCL.

Caged Drone deployed for the first time for internal inspection at remote/unapproachable locations which were not accessible (or time taking) by any other traditional methods.

Automated crawler based Reformer Tube Inspection System was carried out in Ref-III HGU reformer during the recent REF-III M&I shut down.

Smart shutdown module was developed using in house developers and fetched fruitful results. Similarly, other digitalization modules like Exchanger/Cooler Analytic, Reformer tube temp survey reporting & Culvert module system was implemented for Dynamic updation & easy retrieval of data.

For round the clock automatic monitoring of vehicles speed, Radar Speed Guns were installed inside Refinery premises.

5. ***Decarbonisation:***

India has set an ambitious target of achieving Net Zero Emission by 2070.

The Five-point agenda to achieve the above target are,

First- India will reach its non-fossil energy capacity to **500 GW** by 2030.

Second- India will meet **50 percent** of its energy requirements from renewable energy by 2030.

Third- India will reduce the total projected carbon emissions by **one billion tonnes** from now onwards till 2030.

Fourth- By 2030, India will reduce the carbon intensity of its economy by less than 45 percent.

And fifth- By the year 2070, India will achieve the target of Net Zero.

Utilization of Alternate Sources of Energy at CPCL: Road to Decarbonisation

RLNG Conversion: CPCL successfully completed RLNG conversion in Gas Turbines, Utility Boilers and Hydrogen Generating Units. It will have a positive impact on the Carbon footprint with reduction in CO_2 emissions and will reduce Specific Feed and Fuel consumption for production of Hydrogen.

Wind Mill: To harness the renewable sources of energy and to contribute to the global movement in reducing greenhouse gas emissions, CPCL has installed Wind Mill farm with a capacity of 17.6 MW in the year 2007. The power generated from the wind mills is being utilised, on wheeling arrangement, in CPCL Seawater Desalination Plant and in Refinery.

Solar Panels: The renewable energy portfolio of the Company also includes grid connected power and off-grid solar power. CPCL has solar panels installed at different locations, Corporate office, Refinery and

CBR. Total installed capacity of Solar panels is 0.33 MW. In addition to the above, it is proposed to install Solar Roof Top Panels with a total installed capacity of around 0.915 MW. The green power generated from the Solar PV panels will be connected to the CPCL power system and consumed internally.

LED Lighting: Replacement of existing luminaires with more energy efficient "Light Emitting Diodes" (LEDs) lighting system in several buildings of CPCL Refinery as a part of Clean Energy Development Mechanism (CDM).

Green Belt Development: Green Belt development was initiated for an area of 40 acres at CPCL Amullaivoyal land through Tamil Nadu Forest Department (TNFD) and about 10,000 trees were planted as a part of Green Initiative. Various other Tree Plantation drives were also organised to aim at combating many environmental issues like deforestation, erosion of soil, desertification in semi-arid areas, global warming, improving air quality and hence enhancing the beauty and balance of the environment.

6. ***Electrically Powered Vehicles (EVs):***

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

Even if electric vehicles come to entirely dominate the transportation space, little change is expected in global oil use. The oil majors predict that oil use for transportation will decline slowly but overall oil demand will continue to rise as crude is needed for industry and petrochemicals. Refiners can continue to produce the right mix of on-specification products to satisfy their markets and maximize profitability. Those with the best chances are coastal integrated refinery-petrochemical facilities located in industrial clusters, processing a wide range of feedstocks and with low-carbon operations are the survivors.

Steadfast focus on Improvement in Productivity, Profitability & Flexibility

CBR 9 MMTPA Project:

In view of the above, CPCL is setting up a new grass root coastal refinery of 9 MMTPA capacity at Nagapattinam, in JV mode with IOCL and other strategic partners. This new refinery will produce Petrol and Diesel of Bharat Stage-VI specifications and Polypropylene as a value added product, at a Project cost of ₹ 31,580 Cr. Further investment of about ₹ 4,000 Cr. will flow into the project from other stake holders on Build Own and Operate (BOO) basis. PMC and EPCM consultants have been lined up and the project is expected to be completed by June 2025.

Benefits of this Project:

- Product deficit in Southern Region.
- Marketing infrastructure available.
- Setting up of downstream industries, similar to Manali area.
- Creation of another major port at Nagapattinam and contribution to State Exchequer.
- SGST from Downstream / Ancillary units will accrue to the Government.
- Coastal location with Port connectivity within 5 km.
- Road connectivity - National Highway within 2 km.
- Environment friendly Re-gasified Natural Gas (R-LNG) as a fuel.
- Renewable / Green Initiatives for Decarbonisation.
- Product evacuation by Cross country pipelines & by Ships for meeting demands in Tamil Nadu & Neighbouring states.
- Potential for downstream petrochemical industries, based on feed stocks from refinery.
- Indigenous Utilization (**AATMANIRBHAR BHARAT**).
  - Anticipated Indigenous supply of 80% of materials & services for the project execution.
  - Use of Indigenously developed technologies.
  - Reduced dependency on imports like Polypropylene, with saving in Foreign exchange.
- Both direct and Indirect Employment generation.
- Additional employment opportunities in downstream & allied industries.
- Socio-Economic Development:
  - Township and infrastructure development.
  - Overall Improvement in Transport & communication facilities; Educational facilities like Schools, colleges; Recreational facilities; Health facilities etc.
  - Potential for development of clusters of SMEs; ancillary units & support services.
  - Skill development and employment potential backward district.

Moving forward:

Refining operations require complex machinery and sophisticated processes and represent a critical link in the global energy supply chain that produces refined products and finished fuels from crude oil. In today's market, refiners face specific, high-impact challenges that can affect operations, escalate costs and threaten profitability. By focusing on controlling operating costs, minimizing the risks of variability, operating with higher reliability and maintaining a safe and environmentally compliant workplace the upcoming challenges can be faced effortlessly.

Risk Management: *Well equipped for future challenges*

CPCL has developed a well-defined Risk Management Policy Framework that enables the company to identify the risks and the possible mitigation measures. These risks are monitored at various levels and mitigation measures are modified as per the requirements from time to time. The risk management framework is reviewed periodically and updated as and when required.

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

- High risk includes the range of key factors affecting continuous operation like low capacity utilization, erosion in refining margin, cost and time over run in projects, safety risk and impact in operations and projects due to ongoing COVID pandemic.
- Medium risks includes data leakage, security risk, environmental risk and other Govt. policy decisions impacting the profitability and ability to do business
- Low risk includes factors which are less likely related to continuous operation, like variations in interest rate, currency risk, and commodity risk.
- Risks on Radar includes statutory levies by tax authorities and other related liabilities.

Risk related to COVID-19:

The COVID-19 pandemic has created huge adverse business conditions across many industries including oil industry and its impact is likely to be felt in the coming years too.

Various challenges faced by CPCL include lower demand for petroleum products resulting in lower crude throughput and sales; inadequate availability of manpower for projects implementation.

During the COVID-19 pandemic, CPCL took several initiatives to ensure the safety & well-being of employees as well as its frontline workers engaged with its business partners. In order to handle COVID-19 pandemic, SoPs have been developed on social distancing and hygiene inside the working place. Migrant labour were given temporary shelter during the pandemic to ensure manpower availability for projects.

COVID-19 Vaccination drive was carried out for all employees, their family members and contract workers.

The COVID-19 pandemic has led to an unprecedented loss worldwide and presents a challenge to public health, food systems and the workforce. The economic and social disruption caused by the pandemic was devastating. To combat the same, and support TN Government in the fight against the COVID-19 pandemic, temperature-controlled Cold Chain Equipment to refrigerate Vaccines and distribute them safely to various Hospitals has been donated to Govt. of TN, jointly with IOCL.

Spreading its helping hand beyond Tamil Nadu, CPCL has extended its assistance to set up PSA plants for Govt. Hospital in Kerala and Karnataka to fight against COVID spread, thereby humbly serving the country when it needed the most. CPCL also joined hands with other PSUs like GAIL, ONGC, etc. in the fight against pandemic by supplying oxygen cylinders, oxygen concentrator and in running community medical centres at various places in & around Chennai and also in other states.

To combat the emergency situation raised during the second wave of COVID pandemic, a make shift COVID CARE centre was set up at R&D centre in Manali Refinery premises in a very short span of time, with continuous supply of medical oxygen from our oxygen plant. The COVID care centre with 60 bed facility and continuous supply of medical oxygen facility was handed over to Greater Chennai Corporation.

Safety and Security Risks:

Safety and security aspects are very critical for continuous operation of units and for all stake holders in CPCL. Accordingly, well-defined safety and security management systems have been established in the company with an objective to monitor safety and security conditions in all areas within the refinery premises and also outside the refinery.

The Standard Operating Procedures (SoP) pertaining to each and every unit and Equipment is kept in place to ensure proper operation of the plants and equipment and are also continuously updated with the latest changes and modifications through the system of Management of Change (MoC).

Multi-level safety and security audit systems enable and ensure continuous monitoring of safety and security aspects and also identify gaps that need to be rectified. In addition, audits by external agencies are also conducted periodically which enable to implement best practices from other refineries On-Site mock drills are conducted periodically to test the preparedness of various components of Disaster Management System.

Regular interaction is maintained with District authorities, Chennai Corporation authorities and other statutory agencies on security related issues. Periodic inspections of pipelines are carried out and security patrolling/surveillance system is in place. Security drills are conducted twice a month to keep the people and systems in alert.

Behavioural Based Safety system (BBS) was introduced during the current financial year. The safety observations reported by employees and contractors in the online system are being followed up and compliance is ensured.

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

Other information:

The details regarding the Company's CSR programmes, Internal Control Systems and their Adequacy, Financial Performance, Operational Performance & Human Resources / Industrial relations, Material Developments are adequately dealt in the Directors' Report.

Cautionary Statement:

The information and statements in the Management's Discussion & Analysis regarding the objectives, expectations or anticipations may be forward-looking within the meaning of applicable securities, laws and regulations. The actual results may differ materially from the expectations. The various critical factors that could influence the operations of the Company include global and domestic demand & supply conditions affecting the selling price of products, input availability and prices, changes in Government regulations/tax laws, economic developments within the country and factors such as litigation and industrial relations.

Annexure - VI

Business Responsibility Report (BRR) 2021-22

Sl. No.	Query	Response
Section A: General Information about the Company		
1.	Corporate Identity Number (CIN)	L40101TN1965GOI005389
2.	Name of the Company:	CHENNAI PETROLEUM CORPORATION LIMITED
3.	Registered Address	Chennai Petroleum Corporation Limited; No.536, Anna Salai , Teynampet, Chennai- 600018
4.	Website	www.cpcl.co.in
5.	Email id	shankarp@cpcl.co.in
6.	Financial Year reported	2021-22
7.	Sector(s) that the Company is engaged in (industrial activity code-wise):	The industrial activities carried out are described below. The code numbers of group, class and sub-class are assigned by National Industrial Classification, Ministry of Statistics and Program Implementation.

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

Sl. No.	Query	Response
8.	List three key products / services that the Company manufactures / provides (as in balance sheet): l	HSD, MS & ATF
9.	Total number of locations where business activity is undertaken by the Company:	2
	(i) Number of International locations:	NIL
	(ii) Number of National locations: (as on 31.03.2016)	Operating Refineries: 1 Manali Refinery , Manali, Chennai- 600068 Wind Power Project: 1 (Pushpathur , Tamilnadu)
10.	Markets served by the Company-Local/State/National/ International	National
Section B: Financial Details of the Company		
1.	Paid up capital (INR)	₹ 148.91 crore
2.	Total turnover (INR):	₹ 60402 crore
3.	Total profit after taxes (INR):	₹ 1342 crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	The Company contributes to the CSR activities as per the provisions of the Companies Act, 2013. Despite the mandated CSR budget for the FY 2021-22 being NIL, a sum of ₹ 972.94 lakhs was spent towards sustaining the ongoing CSR projects.
5.	List of activities in which expenditure in 4 above has been incurred:	The broad areas, where the expenditure is incurred are towards Health, Education, Swachh Bharat activities, Skill Development, etc

Sl. No.	Query	Response
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 : DIN Designation b) Details of the BR Head 1. DIN Number (if applicable) 2. Name 3. Designation 4. Telephone number 5. e-mail id	 Shri . Rajeev Ailawadi **DIN 07826722** Director(Finance) in charge of HR NA Shri P.Shankar Company Secretary 044- 24346807 shankarp@cpcl.co.in
2.	Principle-wise (as per NVGs) BR Policy / policies (Reply in Y/N):	The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NGVs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under: P1 – Business should conduct and govern themselves with Ethics, Transparency and Accountability. P2 – Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle. P3 – Business should promote the well-being of all employees. P4 – Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised. P5 – Business should respect and promote human rights. P6 – Business should respect, protect and make efforts to restore the environment. P7 – Business, when engaged in influencing public and regular policy, should do so in a responsible manner. P8 – Business should support inclusive growth and equitable development. P9 – Business should engage with and provide value to their customers and customers in a responsible manner.

Sl. No.	Query	Response

Group	P1 Ethics	P2 Products & Services	P3 Employees	P4 Stakeholders Engagement	P5 Human Rights	P6 Environment	P7 Public Policy	P8 Inclusive Growth / CSR	P9 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? Does the policy confirm to any national / international standards? If yes, specify? (50 words)	As a Government Company, CPCL is governed by rules, guidelines, procedures and policies issued by the Government of India from time to time. Additionally, in keeping with the vision the company and the changing business environment, CPCL constantly reviews its business policies and practices towards developing a sustainable business agenda. Industry practices/ standards at National level are kept in view while devising such policies. Note for P2: Majority of the fuel products produced by CPCL are being marketed by Indian Oil Corporation Limited, the holding Company. CPCL markets speciality products to various end users and Customers including pipeline sale to downstream industries, based on laid down guidelines.								
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/safety/sheq https://www.cpcl.co.in/corporategovernance https://www.cpcl.co.in/codeofconduct								
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.								

Sl. No.	Query	Response
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 2020-21 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 2021-22 and the same will be uploaded in the website .

Sl. No.	Query	Response
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 350 queries, requests and complaints from the shareholders during the year 2021-22, which were subsequently resolved.
	Other complaints during the year	Nil Moreover, during the year, 10 complaints were received and disposed through Public Grievance Redressal system in satisfaction of both the parties.
2.	**Principle 2**	
	1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Over the years, the Company has taken action towards quality improvement of its transportation fuels, namely Motor Spirit (MS) & High Speed Diesel (HSD), at a cost of ₹ 4800 crore, which constitute two of its major products from Manali Refinery. CPCL had completed & commissioned the following new unit / revamped the existing unit to produce MS & HSD meeting BS–VI quality norms at an estimated cost of about ₹ 1858 Cr.- The project consists of the following: i) A new 0.6 MMTPA Gasoline Desulphurisation Unit (GDS) to produce gasoline having less than 8 ppm Sulphur – The unit has been completed & commissioned on 13.01.21. ii) Revamp of the existing Diesel Hydro Treating (DHDT) unit from (1.8 MMTPA to 2.4 MMTPA) so that the refinery diesel pool sulphur content is brought to less than 8 ppm – Unit had been revamped & commissioned on 22.11.19. iii) Associated off-site facility: Demountable flare system commissioned on 26.03.21. New Instrument Air Compressor & associated drier units commissioned on 23.08.21. New Sulphur Recovery Block: All the equipments are received and erected. The unit is expected to be mechanically completed by end May 2022 & commissioned by end of Jul 2022. CPCL's R&D centre has taken the following initiatives: **1. Study on evaluation of optimum dosage rate of dewaxing aid.** Lab scale study with new Dewaxing Aid (DWA) sample at different dosage rates had been completed for establishing the optimum dosage required for BN raffinate dewaxing process. **2. Study on reduction of aromatic content in Hydrocracker Kerosene** Pilot plant study to reduce the aromatic content by hydrogenation process using Hydrocracker Kerosene had been completed to meet the Rocket Propellant requirement.

Sl. No.	Query	Response
		3. Study on hydrotreatment of Deasphalted Oil (DAO) Hydrotreatment of DAO had been carried out to improve the process of Bright Neutral Lube Oil Base Stock production. **4. Study on production of Lube Oil Base Stock (SN150) from Un-Converted Oil (UCO) by dewaxing** Lab scale dewaxing studies had been completed for checking the possibility of processing of UCO to produce SN150. **5. Dewaxing studies on lube distillates of various crude blend**s Lab scale dewaxing studies had been completed using lube distillates obtained during processing of three different crude blends.
	List of 3 such products	List of such products or services: • Supply of BS-VI MS and HSD started from 01st Dec'19, ahead of mandated timeline i.e., 01.04.2020. Majority of the fuel products produced by CPCL are being marketed by Indian Oil Corporation Limited, the holding Company
	2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	**Lower negative impact on Environment** Supply of low-Sulphur transportation fuels (petrol & diesel) and alternate fuels have led to fossil-fuel substitution and relatively lower negative impact on the environment.– Presently, CPCL is supplying 100 % BS-VI (Diesel & Petrol) from 1st April, 2020 with the maximum sulphur content of 10 ppm compared to the earlier value of 50 ppm in line with BS-IV norms. **Efficiency in crude oil sourcing & vessel utilization:** Opening crude inventory for FY 2021-22 was 20.6 days and the closing inventory was 18.0 days, which is less than the optimum level of about 26 days. Against MoU throughput of 9080 TMT, CPCL achieved 9040 TMT in 2021-22. CPCL was able to procure additional crude excess of the term quantity to meet the processing requirement, while keeping the inventory under control. Vessel requirement for CPCL's lifting is been arranged by IOCL and CPCL doesn't have TC vessel.

Sl. No.	Query	Response
		Energy Conservation:-
		i) The following major Encon measures were undertaken taken in 2021-22

S. No.	Schemes	SRFT
1	APH replacement in CDU/VDU - III Heater	3200
2	Incinerator WHB replacement in Plant 210	200
3	Bypass facility for ISOM condensate pump	75
4	ISOM NHDT stripper excess reflux to Pt 201 Stabilizer	75
5	RLNG Conversion in Plant-205	32000
6	Ref 3 Condensate recovery	800
7	High emissivity ceramic coating for CRU furnace tubes	300
8	Pre heat improvement in Plant-201	2500
9	OMS – HCO direct routing to BS-VI and LCO modification in HSD Blend header	2000
10	DCU Stripper feed heating using De-butaniser bottom	1660
	Total	**42810**

Sl. No.	Query	Response
	3. Does the company have procedures in place for sustainable sourcing (including transportation)? i. If yes, what percentage of your inputs was sourced sustainably?	Yes. The oil & Gas sector is particularly vulnerable to sectoral threats like depletion of resources and geopolitical uncertainties. The Company has Annual contracts in place for its crude oil procurement. Moreover, the Company has diversified its global crude sourcing centers. Further, efforts are put to expand the crude basket and to optimise inventories. About 20% is sourced through indigenous sources, 80% imported, through Term &SPOT contracts. Company has implemented e-Tendering, e- Procurement and e-Payment. Procurement through e-tendering was done to the extent of **98.29%** average by value in respect of Materials Procurements and **98.82%** average by value in respect of Works Contracts/ Services was achieved during the financial year **2021-22**. An MoU was already entered into with Transparency International India (TII) for implementing an Integrity pact programme focused on enhancing transparency in business transactions, contracts and procurement processes and is in practice and effective from Feb-2020 onwards the minimum threshold value for applicability of Integrity Pact in procurements was reduced to ₹ 75 lakhs of tender estimate values excluding GST. IP has also been obtained from the successful bidder in cases where the tender estimate is less than ₹ 75 lakhs excluding GST but the Corresponding Contract award value is more than ₹ 75 lakhs excluding GST Also, Integrity Pact is obtained for Nomination - Proprietary Materials procurements". CPCL markets speciality products through pipeline transportation to downstream industries.

Sl. No.	Query	Response
	4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	With regard to the Public Procurement Policy (PPP) for Micro & Small Enterprises (MSEs) Order 2012 - Government of India, CPCL has procured ₹ **339.53** Crores (Materials & Services) from MSE Vendors out of the total procurement of ₹ **655.06** Crores made during the financial year **2021-22**. The procurements made from the MSE Vendors work out to **51.83 %** of the total procurements made during the financial year **2021-22**, which is higher than the 25% target set by the Government. The procurement percentage of **51.83%** from MSE Vendors include **8.86% (₹ 58.06 Crores)** procured from the enterprises owned by SC/ST Entrepreneurs against the sub-target of 4% and **1.37% (₹ 8.99 Crores)** procured from the enterprises owned by Women Entrepreneurs against the sub target of 3% earmarked in the Government order. Several initiatives were undertaken by CPCL to identify the MSE entrepreneurs owned by SC/ST Entrepreneurs and Women Entrepreneurs by way of conducting Vendor Development Programmes along with the Ministry of MSME and NSIC and also CPCL took part in the other MSE Vendor development meets conducted by the other Organisations and elaborated the procurement opportunities in CPCL.
	5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	CPCL makes continuous efforts to recycle effluent waste through installation of Effluent Treatment Plants, Sewage Treatment Plants and other sustainable practices like bio-remediation of oily sludge, etc. During the year, about 92.0 % of treated effluent was reused in refinery operations and 12852 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 31.3.2022 is 1486.
	2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.	No employee is hired on temporary/ contractual / casual basis. CPCL awarded job contracts to contractors at its various locations for several ongoing projects as well as operational needs. The contractors, in turn, engaged around 3318 contract workers average per day during the year 2021-22. CPCL, as a principal employer, ensures that all statutory requirements are duly complied with.
	3. Please indicate the Number of permanent women employees.	Total number of permanent women employees as on 31.3.2022 is 79.
	4. Please indicate the Number of permanent employees with disabilities.	There are 35 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

Sl. No.	Query	Response
	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:

S. No.	Category	No. of complaints filed during 2021-22	No. of complaints pending as on end of the financial year
1	Child labour/forced labor/involuntary labor	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Category	% of employees given safety & skill up-gradation training during 2021-22
Permanent Male employees	79 %
Permanent Women Employees	95 %
Permanent Employees with Disability	76 %
Casual/Temporary/ Contractual Employees/ Contract labor	95%

Sl. No.	Query	Response
4.	**Principle 4**	
	1. Has the company mapped its internal and external stakeholders? Yes/No	Yes.
	2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes. The company has identified its disadvantaged, vulnerable and marginalized stakeholders.
	3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	Yes, for engagement of disadvantaged, vulnerable and marginalized external stakeholders, CSR initiatives are undertaken. During the year 2021-22, though CSR mandated budget being NIL, it is that towards sustaining ongoing CSR projects, CPCL has spent an amount of ₹ 972.94 lakh on CSR for the benefit of the under-privileged section of the society. CPCL scrupulously follows the Presidential Directives and guidelines issued by Government of India regarding reservation in services for SC/ ST/ OBC/ PWD (Persons with Disabilities)/ Ex-servicemen to promote inclusive growth. Out of the total manpower, there were 321 SC employees and 48 ST employees constituting 21.80% and 3.23% of the total manpower respectively.
5.	**Principle 5**	
	1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?	The policy of the company covers human right principles. As a part of the commitment towards meeting its societal needs, CPCL believes in safeguarding human rights within its sphere of influence.
	2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaint on human rights violations was received during 2021-22

Sl. No.	Query	Response
6.	**Principle 6**	
	1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.	The policy on Health, Safety and Environment (HSE) covers the Company only. CPCL is committed to conduct business with a strong environmental conscience ensuring sustainable development, safe work places and enrichment of quality of life of employees, customers and the community residing in the neighbourhood of its refineries in Manali and Cauvery Basin in Nagapattinam.
	2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes. Company's Policy on Sustainable Development encompasses environmental, social and economic aspects of the entire business operations and identifies roles and responsibilities of various departments to achieve goals of sustainable development. Corporate Sustainability Report is published annually which gives a full account of all Sustainable Development initiatives, environmental, social and economic 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. 1 https://cpcl.co.in/business/others/sheq/safety/ 2.https://cpcl.co.in/business/others/sheq /environment/
	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. Environmental risk assessment is carried out for every project before the project is executed as mandatory requirement for statutory clearance.
	4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	The Company does not have any project, related to Clean Development Mechanism.
	5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes. CPCL retrofitted boilers, Gas Turbine, Hydrogen Reformers and Major furnaces for using RLNG, a cleaner fuel compared to Fuel Oil/ Naphtha. In the year 2021-22, Boiler -4, Plant No 205 - Hydrogen Generation Unit & Boiler – 5 were completed. CPCL already installed 17.6 MW Wind Mill and the power is wheeled to Desalination plant for operation. Roof top Solar panel of 60.3 kw was installed in the year 2021-22.
	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) / Tamil Nadu 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 in Financial Year 2021-22 are as follows: **NGT** • Filed a Suo-Motu case on 15.12.20 against 6 industries including CPCL based on the article published in News Desk Magazine dated 11.11.2020 by Chennai Climate Action Group (CCAG) with respect to violation of emission and pollution in Ennore-Manali area. The case is under hearing. **TNPCB:** Show cause notice received for 5 units for Stack Exceedances in Aug-21. Reply for the same was submitted in Sep-21.

<table>
<tr><th>Sl. No.</th><th>Query</th><th>Response</th></tr>
<tr><td>7.</td><td>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:</td><td>Yes. The details are provided below:
<table><tr><th>Associations</th><th>Natl/Int'l</th></tr><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) Confideration 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></table></td></tr>
<tr><td></td><td>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)</td><td>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.</td></tr>
</table>

Sl. No.	Query	Response
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 is given below The details of Community Development Projects are as under

₹ in lakhs

S. No.	CSR Project	Amount Spent
1	Health center at Muttam, Nagapattinam	12.54
2	Mobile Medical Unit at Ramanathapuram	24.97
3	Mobile Medical Unit at Nagapattinam	25.14
4	Provision of Nutritious Meal to Special Children studying in NIEPMD	0.5
5	Setting up of PSA oxygen plant at Kerala and Karnataka states as per directions of MoPNG	500.19
6	COVID-19 relief material to North Chennai people	3.23
7	Supply of Cold Chain Equipment for transportation and distribution of COVID -19 vaccination to State Health Department, Govt. of TamilNadu	150
8	Skill Development - Contribution towards stipend paid to apprentices engaged.	198.75
9	Swachh Bharat Campaign& Awareness programme	2.36
10	Provision of Fountain under Namkku Nammae thittam thru GCC at MMDA Park, Mathur & Truck Parking Yard Madhavaram , Chennai	4.25
11	Provision of raincoat to Mamallapuram Police	0.74
12	Maintenance of School Toilets	3.4
13	Construction of Toilet Block towards improving sanitation facility at Arignar Anna Zoological Park (AAZP)	15
14	Flood relief materials distribution to North chennai people	5
15	Contribution to Armed Forces Flag Day Fund	1
16	CPCL CSR Project 2020-21 impact assessment study	0.9
17	Administrative Overhead (Salary)	24.97
	TOTAL	**972.94**

Sl. No.	Query	Response
	2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?	As specified under rule 4(1) of the Companies (CSR Policy) Rules 2014, implementation of the CSR activities is being done through the modes permitted, namely: a) Implementation by the company itself b) Implementation through eligible implementing agencies as prescribed under sub-rule (1) of rule4. c) Implementation in collaboration with one or more companies as prescribed under sub rule 4 of rule 4. Moreover, every implementing agency mentioned in rule 4(1) of the Companies (CSR Policy) Rules, 2014 shall mandatorily register itself in the MCA21 portal and submit CSR Registration number to undertake CSR activities.
	3. Have you done any impact assessment of your initiative?	Yes. As per Rule 8(3) of the Companies (CSR Policy) Rules 2014, impact assessment study for the CSR project with outlay of minimum ₹ 1 crore undertaken during the FY 2020-21 was carried out by M/s. Loyola College, and they had concluded that the CSR project assessed is to be sustained as it is 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

Sl. No.	Query	Response
	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, Education & Skill Development, Swachh Bharat activities, Disaster Management, Livelihood etc. are undertaken with focus on the economically and socially deprived sections of society, mostly around its refineries i.e. Manali, Chennai & Cauvery Basin, Nagapattinam. Further, as directed by GoI to raise the living standards and to ensure the inclusive growth of the people in the backward districts identified as Aspirational Districts, CPCL had undertaken CSR initiative in Ramanathapuram districts being the Aspirational District in Tamil Nadu. Moreover, supported the Central and State Government during the COVID Pandemic Crisis in augmenting the supply of medical grade oxygen to hospitals and other institutions giving Covid Care to patients by setting up 6 nos of PSA Oxygen Plants and by procurement of Oxygen Concentrators and Oxygen Cylinders.
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 31.03.2022.
	2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)	Yes. Our specialty products namely Food Grade Hexane and Paraffin Wax (All grades) follow Bureau of Indian Standards (BIS) guidelines for product information and labelling. Certificate of Conformity along with BIS licence no. is issued for FG Hexane as per BIS regulation with each consignment. BIS licence is printed on each bag on Paraffin wax (All grades) Specification of Feedstock and other products supplied to downstream industries are firmed up and agreed between Buyer and Seller.
	3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	NIL
	4. Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes. Besides regular customer engagement initiatives, the Company conducts consumer survey / market feedback through Customer meets to improve upon deliverables to meet customer expectations.

Annexure - VII

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2022

[Pursuant to Section 204(1) of the CompaniesAct, 2013 and Rule9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014]

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CHENNAI PETROLEUM CORPORATION LIMITED** (CIN: L4010lTN1965G01005389) (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

(g) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the Audit period)**.

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit period)**.

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

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

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

We have also examined the applicable clauses of the following:

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

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

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

1. *The Board of Directors of the Company is not comprised of requisite number of Independent Directors as prescribed under the Securities Exchange Board of India, (Listing Obligations and Disclosure Requirements),2015 and DPE Guidelines.*

2. *The Nomination and Remuneration Committee has been reconstituted by the Company on 27.04.2022 with 2/3rd Independent Directors in order to comply with SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations,2021 which was effective from 01.01.2022.*

3. *During the year under review the Risk Management Committee has met once on 28.04.2021 and the second meeting was held on 27.04.2022. The gap between two meetings is more than 180 days.*

We further report that:

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

b). Adequate notice is duly given to all Directors to schedule the Board Meetings along with Agenda 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 and other business which are not included in the Agenda are considered vide supplementary agenda subject to consent of the Board of Directors.

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

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

We further report that during the year under review:

a) The Company has allotted 7,750 Unsecured, Non - Cumulative, Convertible, Redeemable, Tax able Debentures (SERIES II - 2022) of ₹ 10,00,000/- each aggregating to sum of ₹ 775/- Crores with an interest of 5.44% p.a, on 23.06.2021 pursuant to Resolution passed by the Board of Directors dated 31st January, 2021.

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

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

(ii) Redemption / Buy-back of Securities.

(iii) Foreign technical collaborations.

(iv) Merger / Amalgamation / Reconstruction.

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

For A.K.JAIN & ASSOCIATES
Company Secretaries

SD/-
BALU SRIDHAR
Partner
FCS No. 5869
C. P. No. 3550
UDIN. F005869D000428214

Place: Chennai
Date: 30.05.2022

ANNEXURE A

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

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

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

For A.K.JAIN & ASSOCIATES
Company Secretaries

SD/-
BALU SRIDHAR
Partner
FCS No. 5869
C. P. No. 3550
UDIN F005869C000428214

Place: Chennai
Date: 30.05.2022

Annexure - VIII

Related Party Disclosures in compliance with Ind As 24

1. Relationship with Entities

A. Details of Holding Company

1) Indian Oil Corporation Limited (IOCL)

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

(₹ in Crore)

Particulars	31-Mar-2022	31-Mar-2021
• Sale of Product and Services	57194.25	39814.53
• Dividend on Preference Shares	33.25	33.25
• EDP Maintenance	3.08	3.08
• Other Operating Income	32.52	31.82
• Purchase of Raw Material	969.91	681.13
• Purchase of Stock-in-Trade	47.72	39.94
• Purchase of Stores & Spares	5.10	4.94
• Payment towards License fee	-	9.81
• Canalising commission	6.35	6.00
• Vessel hiring charges	84.68	20.44
• Terminalling and Facilitation Charges	6.00	2.90
• Rental Expenditure	3.18	4.90
• Subscription Expenses	0.30	0.00
• Training Expenses	0.03	0.00
• Security Expenses	-	0.01
• Purchase of RLNG	1355.02	745.83
• Finance Cost - Unwinding of finance cost	0.40	0.40
• Capital Advances / (Liabilities)	(4.31)	(4.31)
• Revenue Advances	0.16	0.13
• Outstanding Receivables	178.72	114.56
• Other Liabilities - Land given on lease	14.34	14.74
• Other Non - current Assets - Land given on lease	44.37	30.24
• Outstanding payables		
Trade Payables	1887.18	1077.29
Preference Shares (at face value)	500.00	500.00

B. Details of Joint Ventures

i) Indian Additives Limited

(₹ in Crore)

Particulars	31-Mar-2022	31-Mar-2021
• Investment	11.83	11.83
• Sale of Product	29.65	11.00
• Rental income	0.58	0.14
• Maintenance Expenses	1.30	-
• Dividend received	5.92	5.92
• Outstanding Payables	1.30	-
• Outstanding Receivables	0.36	0.76

ii) National Aromatics & Petrochemicals Corp. Limited

(₹ in Crore)

Particulars	31-Mar-2022	31-Mar-2021
• Investments in Joint Venture Entities/ Associates	0.03	0.03
• Claims recoverable	22.66	22.66

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

C. Entities Over which KMP has significant influence

i) CPCL Educational Trust

(₹ in Crore)

Particulars	31-Mar-2022	31-Mar-2021
• CSR Expenses	0.00	0.30

D. Associates of Holding Company

i) Indian Oiltanking Limited

(₹ in Crore)

Particulars	31-Mar-2022	31-Mar-2021
• Outstanding payable	4.76	4.76

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

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

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

Nature of Transactions:

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

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

2) Key Managerial Personnel

A. Whole Time Directors / Company Secretary	B. Independent / Part-time Non-Executive Directors (Government / IOCL/ NICO Nominee)
1) Shri S.N. Pandey (Upto 31.01.2021)	1) Shri. Sanjiv Singh (Non - Executive Chairman) (Upto 30.06.2020)
2) Shri Arvind Kumar (w.e.f 27.08.2021)	2) Shri. S. M. Vaidya (Non - Executive Chairman) (w.e.f 01.07.2020)
3) Shri Rajeev Ailawadi	3) Smt. Perin Devi (Upto 23.11.2020)
4) Shri R.Srikanthan (Upto 30.09.2020)	4) Shri. D. Durai Ganesan (Upto 13.08.2021)
5) Shri. S.Krishnan	5) Smt. Sobhana Surendran
6) Shri H. Shankar (w.e.f 01.10.2020)	6) Shri. Mohammad Bagher Dakhili
7) Shri P.Shankar	7) Shri. Babak Bagherpour
	8) Shri. M. Narayana Rao
	9) Shri. Amitabh Mathur
	10) Mr. Deepak Srivastava (w.e.f 10.08.2021)
	11) Ms. Sukla Mistry (w.e.f 16.11.2021)
	12) Shri Dr. C. K. Shivanna (w.e.f 16.11.2021)
	13) Shri Ravi Kumar Rungta (w.e.f 16.11.2021)
	14) Shri Manoj Sharma (Upto 09.11.2021)
	15) Shri Sukh Ram Meena (Upto 09.08.2021)

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

For the Year ended 31-Mar-2022

(₹ 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. Arvind Kumar	0.25	0.06	-	-	0.32	-	0.09
2) Shri. Rajeev Ailawadi	0.63	0.10	-	-	0.73	-	-
3) Shri. S.Krishnan	0.68	0.11	-	-	0.79	-	-
4) Shri. H.Shankar	0.51	0.10	-	-	0.60	-	0.30
5) Shri. P.Shankar	0.56	0.09	0.01	-	0.66	-	0.06
B. Independent / Government Nominee Directors#							
1) Shri. D.Durai Ganesan	-	-	-	-	-	0.02	-
2) Shri. Amitabh Mathur						0.05	
3) Shri. Myneni Narayana Rao						0.05	
4) Smt. Sobhana Surendran						0.03	
5) Shri. Ravi Kumar Rungta						0.00	
6) Dr. C.K Shivanna						0.00	
TOTAL	**2.64**	**0.45**	**0.01**	**-**	**3.10**	**0.16**	**0.44**

Sitting fees paid to Independent Directors

For the Year ended 31-Mar-2021

(₹ in Crore)

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Sitting Fee	Outstanding loans/advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri. S.N. Pandey	0.28	0.08	0.36	-	0.72	-	-
2) Shri. Rajeev Ailawadi	0.42	0.09	0.06	-	0.57	-	-
3) Shri. R. Srikanthan	0.22	0.04	0.44	-	0.71	-	-
4) Shri. S. Krishnan	0.46	0.10	-	-	0.56	-	0.02
5) Shri. H. Shankar	0.18	0.04	0.02	-	0.24	-	0.22
6) Shri. P.Shankar	0.41	0.09	-	-	0.50	-	0.08
B. Independent / Government Nominee Directors#							
1) Shri. D.Durai Ganesan	-	-	-	-	-	0.05	-
2) Shri. Amitabh Mathur	-	-	-	-	-	0.05	-
3) Shri. Myneni Narayana Rao	-	-	-	-	-	0.04	-
4) Smt. Sobhana Surendran	-	-	-	-	-	0.03	-
TOTAL	**1.97**	**0.44**	**0.87**	**-**	**3.29**	**0.17**	**0.32**

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-2022		31-Mar-2021	
			Contribution by Employer	Outstanding Payable	Contribution by Employer	Outstanding Payable
A	CPCL Employees Provident Fund	Provident Fund	24.05	2.00	28.25	2.00
B	CPCL Employees Superannuation Benefit Fund	Pension Scheme	11.52	-	11.05	-
C	CPCL Employees Group Gratuity Trust	Gratuity	23.59	0.00	14.28	26.43
D	Post Retirement Medical Benefit Trust	PRMB	8.17	0.00	41.68	11.55

Independent Auditors' Report

To

The Members of Chennai Petroleum Corporation Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Chennai Petroleum Corporation Limited ("the Company"), which comprise the balance sheet as at 31st March 2022, the statement of profit and loss (including Other Comprehensive Income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

KEY AUDIT MATTER 1	HOW IT WAS ADDRESSED DURING AUDIT
Measurement of Inventories (excluding stores and spares)	
a) As at 31st March 2022 the value of Inventory (excluding stores and spares) is ₹ 7,242.48 Crores. This constitutes significant percentage of the current assets of the Company.	a) We have evaluated the appropriateness of the management's tank gauging systems and procedures adopted for recording the Company's physical inventory measurement.
b) The Inventories are initially measured by volume at the natural temperature and various conversion factors are applied to derive the quantitative measure at 15°C.	b) We have planned and observed the performance of the management's volume measurement procedures at the year end.
c) The closing Inventory of raw materials has different grades having different weighted average price. The closing inventory of finished products comprises several joint products, having different derived cost of production.	c) We have derived by reperformance the quantitative measurement by applying conversion metrics for temperature, density and other factors. This conversion metrics was tested on sample basis independently with an external input. The derived measures were compared with the book quantities.
d) Considering the various technical measures applied in determining the quantity and value of the inventories, we believe a higher inherent risk is associated with its measurement, requiring significant judgments and estimates. Hence we considered it as a key audit matter.	d) In case of raw material we have test checked the correctness of the computation of the weighted average cost .
(Please Refer Note Nos. 9 and significant accounting policy No.7.1 and 7.2 in Note No.1A)	e) In respect of stock in process and finished products, we have verified the correctness of valuation.
	We have tested the requirement if any for the write down of the inventories to net realisable value of the inventories.

KEY AUDIT MATTER 2	HOW IT WAS ADDRESSED DURING AUDIT
Provisions and Contingent Liabilities	
a) The Company has material uncertain positions and other disputes which involves significant judgement to determine possible outcome of these disputes. Contingent liabilities are not recognised in the financial statements but are disclosed only as information unless possibility of outflow of economic resources is considered remote. b) The assessment of the risks associated with the litigations is based on complex assumptions, which require the use of significant judgement and such judgement relates, primarily, to the assessment of the uncertainties connected to the prediction of the outcome of the proceedings and to the adequacy of the disclosures in the standalone financial statements. Because of the judgement required, the materiality of such litigations and the complexity of the assessment process, the area is a key matter for our audit (Please Refer Note No's. 33B and significant accounting policy No.8 in Note No.1A)	Our audit procedures in response to this Key Audit Matter included, among others, a) Assessment of the process and relevant controls implemented to identify legal and tax litigations and pending administrative proceedings. b) Assessment of assumptions used in estimating the possible outcome of such disputed claims/ cases against the company based on records and judicial precedents made available, c) Inspection of the key relevant documentation and inquiry with the legal and tax departments regarding the status of the most significant disputes. d) Analysis of opinion received from the experts wherever available. e) Review of the adequacy of the disclosures in the notes to the standalone financial statements.

Information Other Than the Standalone Financial Statements and Auditor's Report Thereon

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

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

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

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

Responsibilities of the Management and Those Charged with Governance for the Standalone financial statements

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

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Based on the verification of records of the Company and based on information and explanations given to us, we give here below a report on the Directions issued by the Comptroller and Auditor General of India in terms of Section 143(5) of the Act:
    a) The company has an ERP system in place to process all its accounting transactions except for, computation of per unit cost and consumption of crude and valuation of stock in process and finished products which are done manually and adjustment entries are passed in ERP. This does not have any impact on the integrity of the accounts nor has any financial implications.

    b) There is no restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan.

c) According to the information and explanation given to us, the company has not received any funds for specific schemes from central/state agencies during the year.

3. As required by section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of cash flow dealt with by this report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) Disqualification of directors stated under Section 164(2) of the Act is not applicable to a Government Company as per notification no. GSR 463(E) of the Ministry of Corporate Affairs dated 05/06/2015.

f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

g) Being a Government Company, the provisions of section 197 are not applicable to the Company as per the notification of MCA in G.S.R. 463(E) dated 5th June 2015 and therefore the reporting requirement under section 197(16) does not arise

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 33 to the financial statements).

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) contain any material mis-statement.

v. The company has not declared or paid any dividend during the year. As stated in Note 29 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of members at the ensuing annual general meeting. The dividend proposed is in accordance with provisions of Section 123 of the Act to the extent it applies to declaration of dividend.

For Padmanabhan Ramani & Ramanujam
Chartered Accountants
FRN: 002510S

P. Ranga Ramanujam
Partner
Membership No: 022201
UDIN: 22022201AHYLDV9356

Place: Chennai
Date: April 27, 2022

ANNEXURE- A TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirement' of our report of even date to the members of Chennai Petroleum Corporation Limited on the standalone financial statements of the Company for the year ended March 31, 2022).

(i) (A) On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

(a) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

(ii) (B) The company has maintained proper records showing full particulars of intangible assets;

(b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In accordance with this programme, a portion of the Property, Plant and Equipment has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanation given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company except in case of certain freehold lands given below, where deeds are yet to be executed:

Description of property	Gross carrying value (₹ in crore)	Net Block (₹ in crore)	No. of Assets	Held in name of	Whether promoter, director other relative or employee	Period held	Reason for not being held in name of company
Land freehold	NIL	NIL	2	Not applicable	Not applicable	Not available	Lands allotted by the Government of Tamilnadu for which price is not fixed and assignment deed is yet to be executed.
	0.18	0.18	1	Not applicable	Not applicable	38 years (1984 to 2022)	Amount deposited with the Government of Tamilnadu for which assignment deed is yet to be executed.

(d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year

(e) According to information and explanation given to us and in our opinion, there are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) In our opinion and according to the information and explanations given to us physical verification of inventory except goods in transit and goods held by outsiders on behalf of the company has been conducted at reasonable intervals by the management. In our opinion the coverage and procedure of such verification by the management is appropriate and discrepancies noticed were not in excess of 10% or more in aggregate for each class of inventory.

(b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) (a) (A) During the year the company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to subsidiaries, joint ventures and associates. Consequently, the provisions of clause 3(iii)(a)(A) of the order are not applicable to the Company.

(B) The aggregate amount during the year and the balance outstanding at the balance sheet date with respect to such loans or advances and guarantees, or security to parties other than subsidiaries, joint ventures and associates are:

Party other than subsidiaries, joint ventures and associates	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year	Nil	Nil	0.035	Nil
Balance outstanding as at balance sheet date in respect of above cases:	Nil	Nil	0.035	Nil

(b) The investments made are not prejudicial to the company's interest. The company has not provided any guarantee or given security. It has not granted advances in the nature of loans and guarantees. Loans granted are not prejudicial to the company's interest.

(c) In respect of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular. There are no advances in the nature of loans.

(d) There are no amounts overdue in respect of principal and interest;

(e) In respect of loan which has fallen due during the year no loan was renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties. There are no advances in the nature of loans.

(f) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion and according to the information and explanations given to us, the Company did not grant any loan, make any investment and give guarantees or security during the year which requires compliance under section 186 of the Companies Act. In respect of loans to parties covered under section 185, provisions of section 185 have been complied with.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts deemed to be deposits. Hence reporting under 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the cost records maintained pursuant to the rules specified by the Central Government under section 148(1) of the Companies Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(vii) (a) According to the information and explanations given to us and the records examined by us, in our opinion, the Company has been regular in depositing with the appropriate authorities the undisputed statutory dues including Goods and Services Tax, provident fund, income- tax, sales-tax, duty of customs, duty of excise, value added tax, cess and any other 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, 2022 for a period of more than six months from the date they became payable. The provisions of Employees' State Insurance and Service tax are not applicable to the company.

(b) In our opinion and according to the information and explanations given to us, there are no dues of income tax, sales tax, value added tax, service tax, goods and service tax, duty of customs, duty of excise which have not been deposited with the appropriate authorities on account of any dispute as on March 31, 2022 other than those given below:

Name of the Statute	Nature of Dues	Forum Where Dispute is pending	Period to which the Amount relates (Financial Years)	Gross Amount* (₹ in crores)	Amount Paid under Protest (₹ in crores)
Central Excise Act, 1944	Central Excise	CESTAT	Apr 2006 to Jan 2011, 2012-13 to 2014-15	2.93	2.46
		Asst. Commissioner of Central Tax (GST) & Central Excise	January 2005 to June 2005	0.99	0.00
Sales Tax/VAT Legislations	Sales Tax / VAT	High court	2012-13 to 2013-14, 2016-17 (January to March),2017-18 (April to June)	24.06	8.04
		Sales Tax Appellate Tribunal	2007-2016	295.49	179.49
		Joint Commissioner (Appeals)	2014-15, 2015-16	5.34	2.67
		Additional Commissioner	2014 (April to October), 2016 (April to September)	29.31	16.69
		Joint Commissioner (CT)	2016(October to December)	7.53	0.00
		Deputy Commissioner	1991-92	1.62	0.00
		Deputy Commissioner	Apr - Sep 2015, Apr - Sep 2016	17.35	0.00
Finance Act, 1994	Service Tax	CESTAT	2009-10 to 2016-17 (Upto June 2017)	24.11	0.52

*Gross amount includes penalty and interest, wherever applicable.

(viii) According to the information and explanations given to us and on the basis of our examination, there are no transactions not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

(ix) (a) According to information and explanations given to us and on the basis of our audit procedures, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender

(b) According to information and explanations given to us and on the basis of our audit procedures, the company has not been declared wilful defaulter by any bank or financial institution or other lender;

(c) According to information and explanations given to us and on the basis of our audit procedures, the term loans have been applied for the purpose for which the loans were obtained

(d) According to information and explanations given to us, the procedures performed by us and on the basis of our overall examination of financial statements, prima facie no funds raised on short term basis have been utilised for long term purposes

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its associates or joint ventures. The company does not have any subsidiary.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its joint ventures or associate companies. The company does not have any subsidiary.

(x) (a) 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 during the year. The money raised on privately placed debentures have been applied for the purpose for which they were raised.

(b) In our opinion and according to the information and explanations given to us , the company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures during the year. Accordingly, paragraph 3(x)(b) of the Order is not applicable.

(xi) (a) To the best of our knowledge and belief 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.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report.

(c) As represented by the management, there are no whistle-blower complaints received by the company during the year.

(xii) The company is not a Nidhi Company and hence provisions of clause 3 (xii) of the Order are not applicable to the Company

(xiii) In our opinion and according to the information and explanations given to us , the transactions with related parties are in compliance with section 177 and section 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the standalone financial statements as required by the applicable Accounting Standards.

(xiv) (a) In our opinion and based on our examination the company has an internal audit system commensurate with the size and nature of its business;

(b) We have considered the Internal Audit reports of the company issued during the year and till date for the purpose of audit.

(xv) According to the information and explanations given to us and on the basis of our examination the company has not entered into any non-cash transactions with directors or persons connected with its directors and hence provisions of Section 192 of Companies Act, 2013 are not applicable to the Company.

(xvi) (a) 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)(a) of the Order are not applicable to the Company

(b) According to the information and explanations given to us and on the basis of our examination, the company has not conducted any Non- Banking Financial or Housing Finance activities and accordingly provisions of clause 3(xvi)(b) of the Order are not applicable to the Company

c) According to the information and explanations given to us and on the basis of our examination, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence provisions of clause 3(xvi)(c) and (d) of the Order, are not applicable to the Company

(xvii) According to the information and explanations given to us and on the basis of our overall examination of the financial statements, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly reporting under clause 3(xviii) is not applicable.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) The company is not required to spend any amount in pursuance of its corporate social responsibility during the financial year based on the fact that the average net profits of the company made during the 3 immediately preceding financial years is not positive. Hence provisions of clause 3(xx)(a) and (b) of the Order are not applicable to the Company.

For Padmanabhan Ramani & Ramanujam
Chartered Accountants
FRN: 002510S

Place: Chennai
Date: April 27, 2022

P. Ranga Ramanujam
Partner
Membership No: 022201
UDIN: 22022201AHYLDV9356

ANNEXURE- B TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 3(f) under Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Chennai Petroleum Corporation Limited on the standalone financial statements of the Company for the year ended March 31, 2022)

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, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to these standalone financial statements of the Company

Meaning of Internal Financial Controls over Financial Reporting

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

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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, 2022, 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

Place: Chennai
Date: April 27, 2022

P. Ranga Ramanujam
Partner
Membership No: 022201
UDIN: 22022201AHYLDV9356

Balance Sheet

as at March 31,2022

(₹ in Crore)

Particulars	Note No.	As at 31-Mar-22	As at 31-Mar-21
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	6924.17	7096.56
(b) Capital work-in-progress	2.1	1209.55	1308.63
(c) Intangible assets	3	42.46	45.61
(d) Intangible assets under development	3.1	–	241.80
(e) Financial Assets			
(i) Investments			
- Equity Investment in Joint Ventures	4	11.83	11.83
- Other Investments	4.1	0.11	0.11
(ii) Loans	5	60.58	53.34
(iii) Other Financial Assets	6	129.51	112.42
(f) Income tax assets (Net)	7	71.45	51.06
(g) Other non-current assets	8	82.73	60.26
		8532.39	**8981.62**
(2) Current assets			
(a) Inventories	9	7532.62	4508.91
(b) Financial Assets			
(i) Trade receivables	10	252.32	199.98
(ii) Cash and cash equivalents	11	8.33	1.15
(iii) Bank balances other than (ii) above	12	3.67	3.68
(iv) Loans	5	10.97	11.27
(v) Other Financial Assets	6	63.14	39.79
(c) Other current assets	8	377.18	292.00
		8248.23	**5056.78**
(3) Assets included in disposal group held for transfer	44.1	618.46	–
TOTAL ASSETS		**17399.08**	**14038.40**
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	13	148.91	148.91
(b) Other Equity	14	2641.32	1275.66
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	2391.55	3004.64
(ia) Lease Liabilities		11.16	13.31
(ii) Other financial liabilities	16	6.60	6.72
(b) Provisions	17	111.47	109.47
(c) Deferred tax liabilities (Net)	7	563.09	103.52
(d) Other non-current liabilities	18	19.04	14.99
		3102.91	**3252.65**
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	6831.15	6143.33
(ia) Lease liabilities		4.47	5.68
(ii) Trade payables	20		
-Total outstanding dues of micro and small enterprises		6.79	9.38
-Total outstanding dues of creditors other than micro and small enterprises		3233.27	1872.60
(iii) Other financial liabilities	16	517.84	626.66
(b) Other current liabilities	18	534.31	656.47
(c) Provisions	17	353.05	47.06
		11480.88	**9361.18**
(3) Liability included in disposal group held for transfer	44.1	25.06	–
TOTAL EQUITY AND LIABILTIES		**17399.08**	**14038.40**
See accompanying notes to the financial statements	1-44		

As per our attached Report of even date

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

for and on behalf of Board of Directors

per P. Ranga Ramanujam
Partner
Membership No. 022201

(Arvind Kumar)
Managing Director
DIN - 09224177

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P.Shankar)
Company Secretary
ACS -7624

Place : Chennai
Date : 27-Apr-2022

Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in Crore)

Particulars	Note No.	For the Year ended 31-Mar-22	For the Year ended 31-Mar-21
I. Revenue from operations	21	60474.29	41899.07
II. Other income	22	23.66	106.88
III. Total Income (I + II)		**60497.95**	**42005.95**
IV. Expenses:			
Cost of materials consumed	23	40045.19	19864.68
Purchase of Stock-in-Trade		47.72	39.94
Changes in Inventories (Finished Goods and Work-In Progress)	24	(1227.35)	(892.06)
Excise Duty		17098.91	19454.31
Employee benefits expense	25	555.26	564.51
Finance costs	26	412.44	375.04
Depreciation and Amortisation expense on:			
a) Tangible Assets	2	500.46	462.50
b) Intangible Assets	3	3.43	3.29
		503.89	**465.79**
Impairment losses / (gain)		(0.37)	1.59
Other expenses	27	1230.62	855.61
Total Expenses (IV)		**58666.31**	**40729.41**
V Profit before Exceptional items and tax (III - IV)		1831.64	1276.54
VI Exceptional Items		–	–
VII Profit before tax (V + VI)		**1831.64**	**1276.54**
VIII Tax expense:	7		
(1) Current tax		37.27	–
[Includes 37.27 Crore (2021: Nil) relating to prior years]			
(2) Deferred tax		451.95	1038.98
[Includes Nil (2021: ₹ 693.76 Crore) relating to prior years]			
IX Profit for the year from continuing operations (VII - VIII)		**1342.42**	**237.56**
X Profit/(loss) from discontinued operations		–	–
XI Tax expense of discontinued operations		–	–
XII Profit from Discontinued operations(after tax) (X - XI)		–	–
XIII Profit for the year (IX + XII)		**1342.42**	**237.56**
XIV Other Comprehensive Income	28		
A. (i) Items that will not be reclassified to profit or loss		30.85	(7.21)
(ii) Income Tax relating to items that will not be reclassified to profit or loss	7	(7.61)	1.94
XV Total Comprehensive Income for the year (XIII + XIV) (Comprising Profit and Other Comprehensive Income for the year)		**1365.66**	**232.29**
XVI Earning per equity share:			
(1) Basic (₹)	30	90.15	15.95
(2) Diluted (₹)		90.15	15.95
See accompanying notes to the financial statements	1-44		

As per our attached Report of even date

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

for and on behalf of Board of Directors

per P. Ranga Ramanujam
Partner
Membership No. 022201

(Arvind Kumar)
Managing Director
DIN - 09224177

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P.Shankar)
Company Secretary
ACS -7624

Place : Chennai
Date : 27-Apr-2022

Statement of Changes in Equity

for the year ended March 31, 2022

(a) Equity Share Capital

(₹ in Crore)

Particulars	No of Equity shares of ₹ 10 each issued, subscribed and fully paid	Subscribed, called-up and paid-up share capital	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of reporting period	Changes in equity capital during the year	Total paid-up equity share capital balance at the end of the reporting period
At 31 March 2021	148911400	148.91	–	148.91	–	148.91
At 31 March 2022	**148911400**	**148.91**	**–**	**148.91**	**–**	**148.91**

(b) Other equity

(₹ in Crore)

Particulars	Reserve and Surplus					Total
	Securities Premium	Capital Redemption reserve	Capital reserve	Retained earnings	General reserve	
At 01 April 2020	250.04	600.00	0.09	(3346.26)	3539.50	1043.37
Changes in accounting policy or prior period errors	–	–	–	–	–	–
Restated balance at 01 April 2020	250.04	600.00	0.09	(3346.26)	3,539.50	1043.37
Profit for the Year	–	–	–	237.56	–	237.56
Other comprehensive income Remeasurement of gain or loss on defined benefit plan"	–	–	–	–	(5.27)	(5.27)
Total comprehensive income	–	–	–	237.56	(5.27)	232.29
Transfer to Retained Earnings	–	–	–	–	–	–
Dividend	–	–	–	–	–	–
At 31 March 2021	250.04	600.00	0.09	(3108.70)	3534.23	1275.66

(₹ in Crore)

Particulars	Reserve and Surplus					Total
	Securities Premium	Capital Redemption reserve	Capital reserve	Retained earnings	General reserve	
At 01 April 2021	250.04	600.00	0.09	(3108.70)	3534.23	1275.66
Changes in accounting policy or prior period errors	–	–	–	–	–	–
Restated balance at 01 April 2021	250.04	600.00	0.09	(3108.70)	3534.23	1275.66
Profit for the Year	–	–	–	1342.42	–	1342.42
Other comprehensive income Remeasurement of gain or loss on defined benefit plan	–	–	–	–	23.24	23.24
Total comprehensive income	**–**	**–**	**–**	**1342.42**	**23.24**	**1365.66**
Transfer to Retained Earnings	–	–	–	-	-	-
Transfer to Capital Redemption Reserve	–	100.00	–	(100.00)	–	–
Dividend	–	–	–	–	–	–
At 31 March 2022	**250.04**	**700.00**	**0.09**	**(1866.28)**	**3557.47**	**2641.32**

As per our attached Report of even date

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

for and on behalf of Board of Directors

per P. Ranga Ramanujam
Partner
Membership No. 022201

(Arvind Kumar)
Managing Director
DIN - 09224177

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P.Shankar)
Company Secretary
ACS -7624

Place : Chennai
Date : 27-Apr-2022

Statement of Cash Flows

for the year ended March 31, 2022

(₹ in Crore)

Particulars		For the Year ended 31-Mar-22	For the Year ended 31-Mar-21
A	**Cash Flow from Operating Activities**		
1	**Profit Before Tax**	**1831.64**	**1276.54**
2	**Adjustments for :**		
	Depreciation of property, plant and equipment	500.46	462.50
	Impairment losses / (gain)	(0.37)	1.59
	Unclaimed / Unspent liabilities written back	–	(0.11)
	Loss/(gain) on disposal of property, plant and equipments (net)	12.10	51.34
	Amortisation on intangible assets	3.43	3.29
	Amortisation of Government Grants	(1.67)	(1.31)
	Net Exchange Differences	8.42	(4.98)
	Provision for Capital work-in-progress / Doubtful Debts written back	–	(1.10)
	Provision for Doubtful Debts, Advances and Claims	–	0.29
	Remeasurement of Defined Benefit Plans thru OCI	30.85	(7.21)
	Provision for Stores (net)	2.78	0.76
	Finance income	(17.73)	(14.40)
	Finance costs	404.02	375.04
	Dividend Income	(5.92)	(5.92)
3	**Operating Profit before Working Capital Changes (1+2)**	**2768.01**	**2136.32**
4	**Change in Working Capital:**		
	(Excluding Cash & Cash equivalents)		
	Trade Receivables & Other receivables	(207.34)	(90.73)
	Inventories	(3026.49)	(2148.80)
	Trade and Other Payables	1241.36	300.84
	Provisions	270.72	256.24
	Change in Working Capital	**(1721.75)**	**(1682.45)**
5	**Cash Generated From Operations (3+4)**	**1046.26**	**453.87**
6	**Less : Taxes paid**	**20.39**	**(1.62)**
7	**Net Cash Flow from Operating Activities (5-6)**	**1025.87**	**452.25**
B	**Cash Flow from Investing Activities:**		
	Proceeds from sale of Property, plant and equipment / Transfer of Assets	0.17	0.60
	Purchase of Property, plant and equipment	(699.67)	(568.87)
	Interest received (Finance Income)	17.73	14.40
	Dividend Income	5.92	5.92
	Net Cash Generated/(Used) in Investing Activities:	**(675.85)**	**(547.95)**
C	**Net Cash Flow From Financing Activities:**		
	Proceeds from Long-Term Borrowings	**775.00**	1010.00
	Repayments of Long-Term Borrowings (Including lease liability)	**(468.01)**	(518.79)
	Proceeds from/(Repayments of) Short-Term Borrowings	**(313.17)**	(81.99)
	Interest paid	**(336.66)**	(312.42)
	Net Cash Generated/(Used) from Financing Activities:	**(342.84)**	**96.80**

Statement of Cash Flows

for the year ended March 31, 2022

(₹ in Crore)

Particulars	For the Year ended 31-Mar-22	For the Year ended 31-Mar-21
D Net Change in Cash & cash equivalents (A+B+C)	**7.18**	**1.10**
E-1 Cash & cash equivalents as at end of the year	8.33	1.15
E-2 Cash & cash equivalents as at beginning of the year	1.15	0.05
NET CHANGE IN CASH & CASH EQUIVALENTS (E 1- E 2)	**7.18**	**1.10**

Notes:

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

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

(₹ in Crore)

Financial Liabilities	As at 31.03.2020	Cash Flow	Non-cash Changes			As at 31.03.2021
			Lease Liability	Interest Accrued but not due	Foreign exchange movement	
Borrowings (Including lease liabilities)	8698.04	409.22	11.31	61.14	(12.75)	9166.96

(₹ in Crore)

Financial Liabilities	As at 31.03.2021	Cash Flow	Non-cash Changes			As at 31.03.2022
			Lease Liability	Interest Accrued but not due	Foreign exchange movement	
Borrowings (Including lease liabilities)	9166.96	1.41	4.00	65.96	–	9238.33

As per our attached Report of even date

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

for and on behalf of Board of Directors

per P. Ranga Ramanujam
Partner
Membership No. 022201

(Arvind Kumar)
Managing Director
DIN - 09224177

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P.Shankar)
Company Secretary
ACS -7624

Place : Chennai
Date : 27-Apr-2022

Note-1A Corporate Information and Significant Accounting Policies

I. Corporate Information

The standalone financial statements of "Chennai Petroleum Corporation Limited" ("the Company" or "CPCL") are for the year ended 31st March, 2022. 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 Bombay Stock exchange and National Stock Exchange 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 have been approved for issue in accordance with a resolution of the Board of directors on 27th April, 2022.

II. Significant Accounting Policies

1. BASIS OF PREPARATION

1.1. The financial statements have been prepared in accordance with the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules and other relevant provisions of the Act and Rules thereunder, as amended from time to time.

1.2. The standalone financial statements have been prepared on historical cost convention, accrual and going concern basis except where Ind AS requires a different accounting treatment like fair value / amortized cost / present value / Realizable value. These accounting policies have been applied consistently over all periods presented in these financial statements

1.3. The standalone financial statements are presented in Indian Rupees (INR) which is Company's presentation and functional currency and all values are rounded to the nearest Crore (up to two decimals) except when otherwise indicated.

2. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

2.1. Property, Plant and Equipment (PPE)

2.1.1. Property, Plant & Equipment (PPE) comprises of tangible assets and Capital Work in progress. PPE are stated at cost, net of tax credit availed and after reducing accumulated depreciation and accumulated impairment losses, if any. (except freehold lands which are carried at historical cost). The cost of an item of PPE comprises its purchase price, construction cost, including applicable taxes (net of credits) after deducting any discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located. These costs are capitalized until the asset is ready for use and includes borrowing cost capitalized in accordance with the Company's accounting policy.

2.1.2. The cost of an item of PPE is recognized as an asset if, and only if:

(i) it is probable that future economic benefits associated with the item will flow to the entity; and

(ii) the cost of the item can be measured reliably.

2.1.3. Technical know-how / license fee relating to plants/ facilities and specific software that are integral part of the related hardware are capitalised as part of cost of the underlying asset.

2.1.4. Spare parts are capitalized when they meet the definition of PPE, i.e., when the Company intends to use these for a period exceeding 12 months.

2.1.5. The acquisition of some items of PPE although not, directly increasing the future economic benefits of any particular existing item of PPE, may be necessary for the Company to obtain the future economic benefits from its other assets. Such items of PPE, are recognized as assets.

2.1.6. On transition to Ind AS, the Company has elected to continue with the carrying value of all of its PPE recognised as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the PPE.

2.2. Capital Work in Progress (CWIP)

A. Construction Period Expenses:

2.2.1. Revenue expenses exclusively attributable to projects incurred during construction period are capitalized. However, such expenses in respect of capital facilities being executed along with the production/operations simultaneously and where the expenses are not attributable exclusively are charged to revenue.

2.2.2. Borrowing 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. Borrowing 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 & Amortisation

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 month in which such software / licenses are capitalised. However, where such computer software / license is under development or is not yet ready for use, accumulated cost incurred on such items are accounted as "Intangible Assets Under Development".

2.3.4. Right of ways with indefinite useful lives are not amortised, but tested for impairment annually at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2.3.5. Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

2.3.6. The useful lives of Intangible Assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful life on straight line basis and assessed for impairment whenever there is an indication that the Intangible Asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on Intangible Assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.

2.3.7. On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangible Assets recognized as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

2.3.8. Amortization is charged pro-rata on monthly basis on assets, from/upto the month of capitalization/ sale, disposal/ or earmarked for disposal.

2.4. Depreciation

2.4.1. Cost of PPE (net of residual value) excluding freehold land is depreciated on straight-line method as per the useful life prescribed in Schedule II to the Act, except in case of the following assets:

a) Useful life of 25 years for solar power plant considered based on technical assessment

b) In case of specific agreements e.g. enabling assets etc., useful life as per agreement or Schedule II, whichever is lower

c) In case of immovable assets constructed on leasehold land, useful life as per Schedule-II to the Act or lease period of land (including renewable period/ likely renewable period), whichever is lower

d) In other cases like Spare Parts etc., useful life is considered based on the technical assessment

Depreciation is charged pro-rata on monthly basis on assets, from / upto the month of capitalization / sale, disposal / or earmarked for disposal. Residual value is generally considered between 0 to 5% of cost of assets. Further, in case of catalyst with noble metal content, residual value is considered based on the cost of metal content.

The Company depreciates components of the main asset that are significant in value and have different useful lives as compared to the main asset separately. The Company depreciates spares over the life of the spare from the date it is available for use.

2.4.2. PPE, costing upto 5,000/- per item are depreciated fully in the year of capitalization. Further, spares, components like catalyst excluding noble metal content and major overhaul/inspection are also depreciated fully over their respective useful life.

2.4.3. The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.5. Derecognition

2.5.1. PPE and Intangible Assets are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE or Intangible Asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

3. LEASES

3.1. The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.1.1. **Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, except for leases where the company has elected to use practical expedient not to separate non-lease payments from the calculation of the lease liability and ROU asset where the entire consideration is treated as lease component.

3.1.2. **Right-of-use Assets**

The Company recognises right-of-use (ROU) assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of use assets are subject to impairment. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset as per 2.4 above.

3.1.3. Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a re-measurement of the lease liability with a corresponding adjustment to the ROU asset. Any gain or loss on modification is recognized in the Statement of Profit and Loss. However, the modifications that increase the scope of the lease by adding the right to use one or more underlying assets at a price commensurate with the stand-alone selling price are accounted for as a separate new lease. In case of lease modifications, discounting rates used for measurement of lease liability and ROU assets is also suitably adjusted.

3.1.4. **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of Property, Plant and Equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

3.2. Leases as Lessor (assets given on lease)

3.2.1. When the company acts as lessor, it determines at the commencement whether it is a finance lease or an operating lease.

3.2.2. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern of the benefit derived from the asset given on lease.

3.2.3. All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Principal component of the lease receipts is adjusted against outstanding receivables and interest income is accounted by applying the interest rate implicit in the lease to the net investment. If an arrangement contains lease and non-lease components, the Company applies principles enunciated in Ind AS 115 "Revenue from Contracts with Customers ", to allocate the consideration in the contract.

3.2.4. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the short term lease exemption described above, then it classifies the sub-lease as an operating lease.

4. IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less cost of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 15 years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifteenth year. To estimate cash flow projections beyond periods covered by the most recent budgets / forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

5. BORROWING COSTS

Borrowing cost consists of interest and other cost incurred in connection with the borrowing of funds. Borrowing costs that are attributable to the acquisition or construction of the qualifying asset are capitalized as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Capitalisation of borrowing costs is suspended when active development activity on the qualifying assets is interrupted other than on temporary basis and charged to the Statement of Profit and Loss during such extended periods. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which the same are incurred.

6. FOREIGN CURRENCY TRANSACTIONS

6.1. The Company's financial statements are presented in Indian Rupee (₹), which is also it's functional currency.

6.2. Transactions in foreign currency are initially recorded at spot exchange rates prevailing on the date of transactions.

6.3. Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the end of reporting period, are translated at exchange rates prevailing on that date.

6.4. Non-monetary items denominated in foreign currency, (such as PPE, intangible assets, investments, capital / revenue advances other than expected to be settled in cash etc.) are recorded at the exchange rate prevailing on the date of the transaction, other than those measured at fair value.

6.5. Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit and Loss either under the head foreign exchange fluctuation or interest cost, as the case may be.

7. INVENTORIES

7.1. Raw Materials & Stock-in-Process

7.1.1. Raw materials including crude oil are valued at cost determined on weighted average basis or net realizable value, whichever is lower.

7.1.2. Stock in Process is valued at raw materials cost plus fifty percent conversion costs as applicable or net realizable value, whichever is lower.

7.1.3. Crude oil in Transit is valued at cost or net realizable value, whichever is lower.

7.1.4. Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

7.2. Finished Products and Stock-in-Trade

7.2.1. Finished Products and Stock in Trade are valued at cost determined on 'First in First Out' basis or net realizable value, whichever is lower. Cost of Finished Products produced is determined based on raw materials cost and processing cost.

7.2.2. Imported products in transit are valued at cost or net realisable value whichever is lower.

7.3. Stores and Spares

7.3.1. Stores and Spares are valued at weighted average cost.

7.3.2. In case of declared surplus/obsolete stores and spares, provision is made for likely loss on sale/ disposal and charged to revenue. Further, provision is made to the extent of 97 per cent of the value of non-moving inventory of stores and spares (excluding maintenance, repair & operation items, pumps and compressors) which have not moved for more than six years. Stores and spares in transit are valued at cost.

7.3.3. Spent catalysts (including noble metal content thereof) are valued at lower of the weighted average cost or net realizable value.

8. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

8.1. Provisions

8.1.1. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

8.1.2. When the Company expects some or all of a provision to be recovered from a third party, a receivable is recognised as a separate asset, but only when it is virtually certain and amount of the receivable can be measured reliably. The expense relating to a provision is presented in the Statement of Profit and Loss net of reimbursement, if any.

8.1.3. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. 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 generally not considered as obligations.

8.2.2. When the demand notices are raised against such show cause notices and are disputed by the Company, these are classified as disputed obligations.

8.2.3. The treatment in respect of disputed obligations are as under:

a) a provision is recognized in respect of present obligations where the outflow of resources is probable as per 8.1.1 above;

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

8.2.4. Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts and reviewed at each Balance Sheet date to reflect the current management estimate.

8.2.5. Estimated amount of contracts remaining to be executed towards capital expenditure are considered for disclosure.

8.2.6. A contingent asset is disclosed where an inflow of economic benefits is probable.

9. REVENUE

REVENUE FROM CONTRACTS WITH CUSTOMERS

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, non-cash consideration and consideration payable to the customer (if any).

9.2. Revenue from the sale of petroleum products, petrochemical products, Crude and gas are recognised at a point in time, generally upon delivery of the products.

9.3. The recovery of excise duty flows to the Company on its own account. 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/ Goods and Services Tax (GST) and Value Added Tax (VAT) is not received by the company on its own account. Rather, it is tax collected on value added to the product by the seller on behalf of the government. Accordingly, it is excluded from revenue.

9.4. **Variable consideration**

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

9.5. Interest income from financial assets is recognised using effective interest rate (EIR) method.

9.6. Dividend income is recognized when the Company's right to receive dividend is established.

9.7. Claims (including interest on outstanding claims) are recognized at cost when there is reasonable certainty regarding its ultimate collection. Insurance claims are recognised based on acceptance.

9.8. Claims on Petroleum Planning and Analysis Cell (Formerly known as Oil Coordination Committee) / Government arising on account of erstwhile Administered Pricing Mechanism / notified schemes are booked on acceptance in principle thereof. Such claims and provisions are booked on the basis of available instructions /clarifications subject to final adjustment as per separate audit.

10. EXCISE DUTY

Excise duty is accounted on the basis of both, payments made in respect of goods cleared as also provision made for goods lying in stock. Value of stock includes excise duty payable / paid on finished goods wherever applicable.

11. TAXES ON INCOME

11.1. Current Income Tax

Provision for current tax is made as per the provisions of the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

11.2. Deferred Tax

11.2.1. Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

11.2.2. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

11.2.3. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

11.2.4. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

12. EMPLOYEE BENEFITS

12.1. Short Term Benefits

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

12.2. Post-Employment Benefits and Other Long Term Employee Benefits

a) The Company's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to the Statement of Profit and Loss/CWIP. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, is made good by the Company and charged to the Statement of Profit and Loss/CWIP.

b) The Company operates defined benefit plans for Gratuity and Post Retirement Medical Benefits. The cost of providing such defined benefits is determined using the projected unit credit method of actuarial valuation made at the end of the year. Out of these plans, Gratuity is administered through a trust.

c) Obligations on other long term employee benefits viz. leave encashment and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year. Out of these obligations, leave encashment obligations are funded through qualifying insurance policies made with insurance companies / corporation.

d) The Company also operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate Trust.

12.3. Termination Benefits

Payments made under Voluntary Retirement Scheme are charged to the Statement of Profit and Loss on incurrence.

12.4. Remeasurements

Remeasurements, comprising of actuarial gains and losses, the effect of the changes in asset ceiling, (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which it occurs. Remeasurements are not reclassified to profit or loss in subsequent periods. Remeasurements in respect of other long-term benefits are recognised in the Statement of Profit and Loss.

Past service cost is recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service cost comprising current service cost, past-service cost, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

13. GRANTS

13.1. Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

13.2. Grant relating to Assets (Capital Grants)

In case of grants relating to depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Deferred income which are recognized as "Other Operating Revenues" usually in the Statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

13.3. Grant related to Income (Revenue Grants)

Revenue grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises as expenses the related cost for which the grants are intended to compensate.

The Company has treated waiver of duty under EPCG Scheme as revenue grant as the condition of meeting the export obligations is a primary condition of availing the grant as per the EPCG Scheme. The above grant is set up by recording the assets at gross value and corresponding grant amount as deferred income. Such grant is recognised in "Other Operating Revenues" in proportion of export obligations actually fulfilled during the accounting period.

Revenue grants are generally recorded under "Other Operating Revenues" except some grants, which are netted off with the related expense.

13.4. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate or NIL interest rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities. Classification of the grant is made considering the terms and condition of the grant i.e. whether grants relates to assets or otherwise.

14. CURRENT VERSUS NON-CURRENT CLASSIFICATION

14.1. The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

14.2. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or Cash Equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

14.3. A liability is treated as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

15. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

15.1. Financial Assets

Initial recognition and measurement

All Financial Assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the Financial Asset. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Subsequent measurement

For the purpose 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 cost that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

15.1.2. Debt Instrument at FVTOCI

A 'Debt Instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent solely payments of principal and interest (SPPI).

Debt Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair Value movements are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the Equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI Debt Instrument is reported as interest income using the EIR method.

15.1.3 Equity Instrument

A. **Equity Investments at FVTOCI (Other than Subsidiaries, Joint Ventures and Associates)**

All equity investments in scope of Ind AS 109 are measured at fair value. The Company has made an irrevocable election to present subsequent changes in the fair value in Other Comprehensive Income. The classification is made on initial recognition/transition and is irrevocable.

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

B. **Equity Investments in Subsidiaries, Joint Ventures and Associates**

Investments in Subsidiaries, Joint Ventures and Associates are accounted for at cost in the financial statements and the same are tested for impairment in case of any indication of impairment.

Dividend income is recognized in the Statement of Profit and Loss when the Company's right to receive dividend is established.

15.1.4 Debt Instruments and Derivatives at FVTPL

FVTPL is a residual category for Debt Instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Debt Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Interest income on such instruments has been presented under interest income.

15.1.5. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

15.1.6. Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial Assets that are Debt Instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial guarantee contracts which are not subsequently measured as at FVTPL

c) Lease Receivables under Ind AS 116

Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance, if any, on Trade Receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

General Approach

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates provision on trade receivables at the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense /income in the Statement of Profit and Loss. The Balance Sheet presentation for various financial instruments is described below:

- **Financial Assets measured as at amortised cost:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- **Debt instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

15.2. Financial Liabilities

15.2.1. Initial recognition and measurement

Financial Liabilities are classified, at initial recognition, as financial Liabilities at fair value through profit or loss and financial liabilities at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of liabilities subsequently measured at amortised cost, they are measured net of directly attributable transaction cost. In case of Financial Liabilities measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of financial liabilities are recognised immediately in the Statement of Profit and Loss.

The Company's financial liabilities include trade and other payables and loans and borrowings including derivative financial instruments.

15.2.2. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

A. **Financial Liabilities at fair value through profit or loss**

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through the Statement of Profit and Loss. Financial Liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss

B. **Financial Liabilities at amortized cost**

Financial Liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

15.2.3. Derecognition

A Financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

15.3. Embedded Derivatives

If the hybrid contract contains a host that is a Financial Asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

15.4. Offsetting of Financial Instruments

Financial Assets and financial Liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

15.5. Derivative Instrument Initial recognition / subsequent measurement

15.5.1. The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The accounting for subsequent changes in fair value of derivatives depends on the designation or non-designation of derivative as hedging instruments. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

15.5.2. **Derivative that are designated as hedge instrument**

The Company undertakes foreign exchange forward contracts for hedging foreign currency risk of recognized foreign currency loans and liabilities. The Company generally designates the whole forward contract as hedging instrument. These hedges are accounted for as cash flow hedges. These hedging instruments are as per the policies approved by the Board of Directors.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that the hedge is actually have been highly effective throughout the financial reporting periods for which it was designated.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in Other Comprehensive Income and accumulated under the heading Cash Flow Hedge Reserve within Equity. The gain or loss relating to the ineffective potion is recognized immediately in the Statement of Profit and Loss and included in the Other Income or Other Expenses as Gain on Derivatives or Loss on Derivatives respectively.

Amounts previously recognized in OCI and accumulated in equity relating to effective portion are reclassified to Statement of Profit and Loss in the periods when the hedged item affects profit or loss, in the same line item as the recognized hedged item or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting.

15.5.3. **Derivatives that are not designated as hedge instrument**

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through the Statement of Profit and Loss and are included in the Other Income or Other Expenses as Gain on Derivatives or Loss on Derivatives respectively.

15.6. Commodity contracts

Commodity contracts that, are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

16. FAIR VALUE MEASUREMENT

16.1. The Company measures financial instruments, such as, derivatives at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

16.2. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

16.3. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

16.4. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

16.5. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

16.6. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

In case of Level 3 valuations, external valuers are also involved in some cases for valuation of assets and liabilities, such as unquoted financial assets, loans to related parties etc.,

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

17. EARNINGS PER SHARE

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in the years presented.

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

19. CASH FLOW STATEMENT

Cash flow statement are reported using the Indirect method, whereby net profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

III. New Standards / amendments and other changes effective April 1, 2021

Amendments to IND – AS have been notified by way of (Indian Accounting Standards) Amendment Rules, 2021 vide MCA notification dated 18th June 2021.

The amendments to IND-AS are clarificatory in nature including disclosures, practical expedients etc. These amendments do not have a material impact on the company

IV. STANDARDS ISSUED BUT NOT YET EFFECTIVE

On March 23, 2022, Ministry of Corporate Affairs amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable effective from annual periods beginning on or after April 1, 2022. The company has assessed the impact of these amendments and is not expected to have any material impact on the company.

Note – 1B : SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. These include recognition and measurement of financial instruments, estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, estimated quantities of noble metals, measurement of employee benefits, actuarial assumptions, provisions etc.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

JUDGEMENTS

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractual, 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 44.2

Note – 2 : PROPERTY, PLANT AND EQUIPMENT

Current Year:

(₹ in Crore)

	Particulars	Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant and Equipment	Office Equipments	Transport Equipments	Furniture and Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	ROU assets	Total
		Note: A							Note: C			Note: B
GROSS BLOCK	Gross Block as at 1st April 2021	49.08	5.92	204.52	9040.55	43.30	10.43	7.11	–	20.31	26.63	**9407.85**
	Additions during the Year (Note: E)	–	–	0.14	349.21	7.16	0.13	0.84	–	–	2.61	**360.09**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications/Revaluation (Note : D)	–	–	(3.36)	(124.40)	(4.64)	–	(0.96)	–	–	–	**(133.36)**
	Gross Block as at 31st March 2022	**49.08**	**5.92**	**201.30**	**9265.36**	**45.82**	**10.56**	**6.99**	**–**	**20.31**	**29.24**	**9634.58**
DEPRECIATION, AMORTISATION AND IMPAIRMENT	Depreciation and Amortisation as at 1st April 2021	–	0.42	37.19	2,103.89	24.73	3.58	3.28	–	6.17	9.48	**2188.74**
	Depreciation and Amortisation during the Year:	–	0.07	6.03	478.99	6.91	0.95	0.62	–	0.91	6.27	**500.75**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications/Revaluation (Note : D)	–	–	(0.51)	(74.52)	(3.37)	–	(0.43)	–	–	–	**(78.83)**
	Total Depreciation and Amortisation upto 31st March 2022	**–**	**0.49**	**42.71**	**2508.36**	**28.27**	**4.53**	**3.47**	**–**	**7.08**	**15.75**	**2610.66**
	Total Impairment Loss as at 1st April 2021	–	–	19.01	103.27	–	–	–	–	0.27	–	**122.55**
	Impairment Loss during the Year (Note: D)	–	–	(2.85)	(19.95)	–	–	–	–	–	–	**(22.80)**
	Impairment loss reversed during the Year	–	–	–	–	–	–	–	–	–	–	**–**
	Total Impairment Loss upto **31st March 2022**	**–**	**–**	**16.16**	**83.32**	**–**	**–**	**–**	**–**	**0.27**	**–**	**99.75**
NET BLOCK	**AS AT 31st March 2022**	**49.08**	**5.43**	**142.43**	**6673.68**	**17.55**	**6.03**	**3.52**	**–**	**12.96**	**13.49**	**6924.17**
	AS AT 31st March 2021	49.08	5.50	148.32	6833.39	18.57	6.85	3.83	–	13.87	17.15	**7096.56**

Note – 2 : PROPERTY, PLANT AND EQUIPMENT

Previous Year:

(₹ in Crore)

	Particulars	Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant and Equipment	Office Equipments	Transport Equipments	Furniture and Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	ROU assets	Total
GROSS BLOCK	Gross Block as at 1st April 2020	48.95	5.92	179.37	8560.49	38.09	11.90	7.10	–	20.31	16.80	**8888.93**
	Additions during the Year (Note : E)	0.13	–	17.45	567.02	6.89	–	0.87	–	–	9.83	**602.19**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications/Revaluation	–	–	7.70	(86.96)	(1.68)	(1.47)	(0.86)	–	–	–	**(83.27)**
	Gross Block as at 31st March 2021	**49.08**	**5.92**	**204.52**	**9040.55**	**43.30**	**10.43**	**7.11**	**–**	**20.31**	**26.63**	**9407.85**
DEPRECIATION, AMORTISATION AND IMPAIRMENT	Depreciation and Amortisation as at 1st April 2020	–	0.35	30.27	1,691.03	20.86	2.88	3.14	–	5.20	3.84	**1757.57**
	Depreciation and Amortisation during the Year:	–	0.07	6.55	440.00	7.10	1.45	0.72	–	0.97	5.64	**462.50**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications/Revaluation	–	–	0.37	(27.14)	(3.23)	(0.75)	(0.58)	–	–	–	**(31.33)**
	Total Depreciation and Amortisation upto 31st March 2021	**–**	**0.42**	**37.19**	**2103.89**	**24.73**	**3.58**	**3.28**	**–**	**6.17**	**9.48**	**2188.74**
	Total Impairment Loss as at 1st April 2020	–	–	19.01	99.57	–	–	–	–	0.27	–	**118.85**
	Impairment Loss during the Year (Note: D)	–	–	–	3.70	–	–	–	–	–	–	**3.70**
	Impairment loss reversed during the Year	–	–	–	–	–	–	–	–	–	–	**–**
	Total Impairment Loss upto 31st March 2021	**–**	**–**	**19.01**	**103.27**	**–**	**–**	**–**	**–**	**0.27**	**–**	**122.55**
NET BLOCK	**AS AT 31st March 2021**	**49.08**	**5.50**	**148.32**	**6833.39**	**18.57**	**6.85**	**3.83**	**–**	**13.87**	**17.15**	**7096.56**
	AS AT 31st March 2020	48.95	5.57	130.09	6769.89	17.23	9.02	3.96	–	14.84	12.96	**7012.51**

Note – 2 : PROPERTY, PLANT AND EQUIPMENT (Contd..)

Notes :

A. Gross block of Land includes ₹ 0.18 Crore deposited towards 50.93 acres of Land for which assignment deed is yet to be received from Govt. of TamilNadu.

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

C. Represents 5/24 share of total cost of the Railway Siding jointly owned by the Company along with Madras Fertilizers Limited, Madras Petrochem Limited, Steel Authority of India Limited and Rashtriya Ispat Nigam Limited. Net block of Railway Sidings - ₹ 0.003 Crore (2021 : ₹ 0.003 Crore)

D. Pertains to Cauvery Basin Refinery (refer Note 44.2)

E. Additions to Gross Block includes :

(₹ in Crore)

Asset Particulars	Borrowing Cost	
	31-Mar-22	31-Mar-21
Plant and Equipment	1.04	26.00
Total	**1.04**	**26.00**

Details of assets given on lease included in the above:

(₹ in Crore)

Asset Particulars	Gross Block as at 1st April 2021	Accumulated Depreciation & Amortisation	Accumulated Impairment loss	W.D.V as at March 31, 2022	W.D.V as at March 31, 2021
Land	5.32	–	–	5.32	5.32
Buildings	0.40	0.05	0.17	0.18	0.18
Plant and Equipment	4.27	1.36	–	2.91	2.83
Total	**9.99**	**1.41**	**0.17**	**8.41**	**8.33**

Note – 2.1 : CAPITAL WORK-IN-PROGRESS

(₹ in Crore)

Sl. No	Particulars	Note	31-Mar-22		31-Mar-21
1	Construction Work in Progress - Property, Plant & Equipment (Including unallocated capital expenditure, materials at site)				
	Balance as at beginning of the year		1082.75		1243.25
	Add: Additions during the year		363.25		354.72
	Less: Allocated / Adjusted during the year		139.57		515.22
	Less: Transfer to disposal group held for transfer	A	253.82		–
			1052.61		1082.75
	Less: Provision for Capital Losses		1.51		1.51
	Less: Impairment Loss	B	–		0.22
				1051.10	1081.02
2	Capital stores balance as at beginning of the year		33.12		10.30
	Add: Additions during the year		18.73		71.56
	Less: Allocated / Adjusted during the year		39.18		48.74
			12.67		33.12
	Less: Provision for Capital Losses		3.30		3.30
	Capital stores			**9.37**	29.82
3	Capital Goods in Transit			**0.21**	36.72
4	Construction Period Expenses pending allocation:				
	Balance as at beginning of the year		161.07		120.73
	Net expenditure during the year (Note -"2.2")		107.39		81.96
			268.46		202.69
	Less: Allocated / Adjusted during the year		14.56		41.62
	Less: Transfer to disposal group held for transfe	A	105.03		–
				148.87	161.07
	TOTAL	C		**1209.55**	1308.63

Note – 2.1 : CAPITAL WORK-IN-PROGRESS (Contd..)

Notes :

A Refer Note - 44.1

B Pertains to Cauvery Basin Refinery (refer Note 44.2)

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

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

(₹ in Crore)

	Particulars	31-Mar-22	31-Mar-21
1	Employee Benefit expenses	38.84	24.94
2	Power & Fuel	1.10	0.65
3	Finance Cost	51.40	47.04
4	Others (incl. CER expenses)	16.05	9.33
	Net Expenditure during the year	**107.39**	81.96
	Specific borrowings eligible for capitalisation (Rate in %)	5.44% to 6.43%	5.68% to 7.85%

Current Year :

(₹ in Crore)

Capital Work-In-Progress	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	161.45	291.62	506.28	250.20	1209.55

Previous Year :

(₹ in Crore)

Capital Work-In-Progress	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	448.82	569.92	172.78	117.11	1308.63

Note: No Project activity is under suspension

Capital-work-in progress, whose completion is overdue compared to its original plan

Current Year :

(₹ in Crore)

CWIP	To be completed in			
	Less than1 year	1-2 years	2-3 years	More than 3 years
BS VI PROJECTS	921.45	–	–	–
RESID - COKE HANDLING SYSTEM	223.41	–	–	–
COOLING TOWER	42.90	–	–	–
Others	10.58	–	–	–
Total	1198.34	–	–	–

Previous Year :

(₹ in Crore)

CWIP	To be completed in			
	Less than1 year	1-2 years	2-3 years	More than 3 years
BS VI PROJECTS	–	804.63	–	–
GASIFIED LIQUEFIED NATURAL GAS (RLNG)	96.67	–	–	
RESID - COKE HANDLING SYSTEM	–	206.37	–	–
COOLING TOWER	–	39.04	–	–
OTHERS	9.19	0.01	–	–
Total	**105.86**	**1050.05**	–	–

Note: No cost overdue in above projects

Note – 3 : INTANGIBLE ASSETS

(1) Intangible assets with definite useful life

Current Year:

(₹ in Crore)

	Particulars	Computer Software	Technical Know-How, Royalty and Licenses	Total
GROSS BLOCK	Gross Block as at 1st April 2021	2.27	52.87	55.14
	Additions during the Year	0.31	–	0.31
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	(0.03)	–	(0.03)
	Gross Block as at 31st March 2022	**2.55**	**52.87**	**55.42**
AMORTISATION AND IMPAIRMENT (A)	Amortisation as at 1st April 2021	1.66	7.85	9.51
	Amortisation during the Year	0.39	3.07	3.46
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	(0.01)	–	(0.01)
	Total and Amortisation upto 31st March 2022	**2.04**	**10.92**	**12.96**
	Total Impairment Loss as at 1st April 2021	0.02	–	0.02
	Impairment Loss during the Year	–	–	–
	Impairment loss reversed during the Year	(0.02)	–	(0.02)
	Total Impairment Loss upto 31st March 2022	**–**	**–**	**–**
NET BLOCK	**AS AT 31st March 2022**	**0.51**	**41.95**	**42.46**
	AS AT 31st March 2021	0.59	45.02	45.61

Previous Year:

(₹ in Crore)

	Particulars	Computer Software	Technical Know-How, Royalty and Licenses	Total
GROSS BLOCK	Gross Block as at 1st April 2020	1.08	26.71	27.79
	Additions during the Year	0.62	26.16	26.78
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	0.57	–	0.57
	Gross Block as at 31st March 2021	**2.27**	**52.87**	**55.14**
AMORTISATION AND IMPAIRMENT (A)	Amortisation as at 1st April 2020	0.9	5.27	6.17
	Amortisation during the Year	0.71	2.58	3.29
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	0.05	–	0.05
	Total and Amortisation upto 31st March 2021	**1.66**	**7.85**	**9.51**
	Total Impairment Loss as at 1st April 2020	0.02	–	0.02
	Impairment Loss during the Year	–	–	–
	Impairment loss reversed during the Year	–	–	–
	Total Impairment Loss upto 31st March 2021	**0.02**	**–**	**0.02**
NET BLOCK	**AS AT 31st March 2021**	**0.59**	**45.02**	**45.61**
	AS AT 31st March 2020	0.16	21.44	21.60

Note – 3 : INTANGIBLE ASSETS (Contd..)

(2) Intangible assets with indefinite useful life

Current Year:

(₹ in Crore)

	Particulars	Right of Way
GROSS BLOCK	Gross Block as at 1st April 2021	0.27
	Additions during the Year	–
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	–
	Gross Block as at 31st March 2022	**0.27**
AMORTISATION AND IMPAIRMENT (A)	Total Impairment Loss as at 1st April 2021	0.27
	Impairment Loss during the Year	–
	Impairment loss reversed during the Year	–
	Total Impairment Loss upto 31st March 2022	**0.27**
NET BLOCK	**AS AT 31st March 2022**	**–**
	AS AT 31st March 2021	–

Previous year:

(₹ in Crore)

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

Note :

(A) Pertains to Cauvery Basin Refinery (refer Note 44.2)

Note – 3.1 : INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crore)

Particulars	Note	31-Mar-22		31-Mar-21
Work in Progress - Intangible Asset:				
Balance as at beginning of the year		241.80		222.29
Add: Net expenditure during the year		17.56		19.51
Less: Transfer to Asset held for transfer	A	259.36		
			–	**241.80**
TOTAL			–	**241.80**

Note :

A. Refer Note 44.1

Current Year :

(₹ in Crore)

Intangible Assets Under Development	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	NIL				

Note – 3 : INTANGIBLE ASSETS (Contd..)

Previous Year :

(₹ in Crore)

Intangible Assets Under Development	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
CBR 9MMTPA	19.51	144.30	77.99	–	241.80

Note:

No Project activity is under suspension

There has been no cost / Time over run in respect of the above

Note – 4 : EQUITY INVESTMENT IN JOINT VENTURES

(₹ in Crore)

Sl. No	Particulars	No. and Particulars	Face Value per share (₹)	Non-current	
				31-Mar-22	31-Mar-21
I	**Investments in equity shares**				
1	**Unquoted:**				
a)	**Investment in Joint Venture Companies:**				
	i) Indian Additives Ltd.	1183401 Equity Shares fully paid	100	**11.83**	11.83
	ii) National Aromatics and Petrochemical Corporation Limited	25000 Equity Shares fully paid	10	**0.03**	0.03
	Less: Impairment in value of investment		A	**0.03**	0.03
				–	–
	TOTAL			**11.83**	**11.83**
	Aggregate value of unquoted investments			**11.86**	11.86
	Aggregate amount of impairment in value of investments			**0.03**	0.03

Note – 4.1 : OTHER INVESTMENTS

(₹ in Crore)

Sl. No	Particulars	No. and Particulars	Face Value per share (₹)	Non-current	
				31-Mar-22	31-Mar-21
I	**Other Investments:**				
	Investments at fair value through OCI (fully paid):				
a)	Biotech Consortium India Ltd	100000 Equity Shares fully paid	10	**0.10**	0.10
b)	MRL Industrial Cooperative Service Society Ltd	9000 Shares fully paid	10	**0.01**	0.01
	TOTAL		B	**0.11**	**0.11**
	Aggregate value of unquoted investments			**0.11**	0.11
	Aggregate amount of impairment in value of investments			**–**	–

Note :

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

B Fair Value approximates carrying value

Note – 5 : LOANS

(₹ in Crore)

Sl. No	Particulars	Note	Non-current 31-Mar-22		Non-current 31-Mar-21	Current 31-Mar-22		Current 31-Mar-21
1	Loans Receivables:							
	To Related Parties							
	i) Considered Good -Secured	A.1	0.29		0.15	0.04		0.02
	ii) Considered Good -Unsecured	A.2	0.08		0.11	0.03		0.04
			0.37		0.26	**0.07**		0.06
	To Others							
	i) Considered Good -Secured		54.18		46.09	5.49		5.35
	ii) Considered GoodUnsecured		6.03		6.99	5.41		5.86
			60.21		53.08	**10.90**		11.21
	Sub Total			**60.58**	53.34		**10.97**	11.27
	TOTAL			**60.58**	53.34		**10.97**	11.27
	Notes :							
A.1	**Includes:**							
1	Due from Directors			**0.29**	0.14		**0.03**	0.01
2	Due from Officers			**0.00**	0.01		**0.01**	0.01
A.2	**Includes:**							
1	Due from Directors			**0.05**	0.07		**0.01**	0.02
2	Due from Officers			**0.03**	0.04		**0.02**	0.02

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

(₹ in Crore)

Sl. No	Particulars	Amount as on 31-Mar-22	Amount as on 31-Mar-21	Maximum Amount outstanding during the year ended 31-Mar-22	Maximum Amount outstanding during the year ended 31-Mar-21
I.	Loans and Advances in the nature of loans:				
A)	To Parent Company	–	–	–	–
B)	To Associates /Joint Venture	–	–	–	–
C)	To Firms/Companies in which directors are interested	–	–	–	–

Current Year :

Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	–	–
Directors	0.38	0.5%
KMPs	0.06	0.1%
Related Parties	–	–

Previous Year :

Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	–	–
Directors	0.24	0.4%
KMPs	0.08	0.1%
Related Parties	–	–

Note – 6 : OTHER FINANCIAL ASSETS

(₹ in Crore)

Sl. No	Particulars	Note	Non-current		Current		
			31-Mar-22	31-Mar-21	31-Mar-22		31-Mar-21
1	**Security Deposits**						
	To Others						
	i) Unsecured, Considered Good		**1.45**	1.34		**12.46**	21.95
2	**Deposit for Leave Encashment Fund**		**128.06**	111.08		**–**	–
3	**Claims Recoverable :**						
	a) From Related Parties						
	i) Unsecured, Considered Good	A	**–**	–	–		0.89
	ii) Unsecured, Considered Doubtful		**–**	–	22.66		22.66
			–	–	22.66		23.55
	Less : Provision for Doubtful Claims				22.66		22.66
	Sub Total		**–**	**–**		**–**	0.89
	b) Others						
	i) Unsecured, Considered Good		**–**	–	17.30		16.41
	ii) Unsecured, Considered Doubtful		**–**	–	5.89		5.89
			–	–	23.19		22.30
	Less : Provision for Doubtful Claims		**–**	–	5.89		5.89
	Sub Total		**–**	–		**17.30**	16.41
4	**Other Financial Assets**		–	–		33.38	0.54
	TOTAL		**129.51**	112.42		**63.14**	39.79

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

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

(₹ in Crore)

Particulars	Non-current			Current		
	31-Mar-22		31-Mar-21	31-Mar-22		31-Mar-21
Income Tax Asset / (Liability) - Net						
Advance payments for Income Tax	412.22		705.69	–		–
Less: Provision for Income Tax	340.77		654.63	–		–
Income Tax Asset / (Liability) - Net		**71.45**	51.06		–	–
TOTAL		**71.45**	51.06		**–**	–

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

(₹ in Crore)

Particulars	Note	31-Mar-22	31-Mar-21
Accounting profit			
Tax at the applicable tax rate of 25.17% (31.3.2021: 25.17%)		**25.17%**	**25.17%**
Tax effect of income that are not taxable in determining taxable profit:		0.08%	–
Tax effect of expenses that are not deductible in determining taxable profit:		0.46%	0.69%
Tax expense /income related to prior years :		2.03%	–
Tax effect on recognition of previously unrecognised allowances / disallowances :		(1.03%)	1.18%
Tax effect due to Change in applicable Tax rates :		–	54.35%
Tax expense		**26.71%**	**81.39%**

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

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

(₹ in Crore)

	As at 31-Mar-20	Provided during the Year 2020-21	Provided during the Year in OCI 2020-21	As at 31-Mar-21	Provided during the Year 2021-22	Provided during the Year in OCI 2021-22	As at 31-Mar-22
Deferred tax liability:							
Related to Property,Plant & Equipment (Depreciation)	1157.32	(397.95)	–	759.37	35.05	–	794.42
43B Disallowances , Gratuity etc.	(19.86)	10.09	(1.94)	(11.71)	10.39	7.61	6.29
Total deferred tax liability (A)	**1137.46**	**(387.86)**	**(1.94)**	**747.66**	**45.44**	**7.61**	**800.71**
Deferred tax assets:							
Carry forward Business Loss/ Unabsorbed Depreciation	1,456.26	(822.20)	–	634.06	(475.20)	–	158.86
Provision on Inventories, Trade Receivables, Loans and advances, CWIP , Investments etc.	14.73	(4.65)	–	10.08	68.68	–	78.76
MAT Credit Entitlement	599.99	(599.99)	–	–	–	–	–
Total deferred tax assets (B)	**2070.98**	**(1426.84)**	**–**	**644.14**	**(406.52)**	**–**	**237.62**
Deferred Tax Liability (Net) (A - B)	**(933.52)**	**1038.98**	**(1.94)**	**103.52**	**451.96**	**7.61**	**563.09**

The recognition of deferred tax assets / liability is based on the "Asset and liability method", determined on the basis of difference between the financial statement and tax bases of the assets and liabilities, by using the enacted tax rates applicable to the company.

The deferred taxes are recognised to the extent, they are more likely than not to be realised, based on the best estimates as at the balance sheet date. In making such estimates, all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income and pricing assumptions based on the past trend are considered. Such estimates are subject to significant fluctuations in earnings and timing of such earnings.

Note – 8 : OTHER ASSETS

(₹ in Crore)

Sl. No	Particulars	Note	Non-current 31-Mar-22	Non-current 31-Mar-21	Current 31-Mar-22	Current 31-Mar-21
1	**Advance for Capital Expenditure**					
	a) To Related Parties					
	i) Unsecured, Considered Good		–	–	–	–
	b) To Others					
	i) Unsecured, Considered Good		0.75	2.15	–	–
	Less: Transfer to Asset held for transfer	A	0.24	–		
			0.51	2.15	**–**	–
2	**Advances**					
	a) To Others					
	i) Unsecured, Considered Good		**–**	–	44.78	50.45
3	**Claims Recoverable :**					
	From Custom, Excise, Sales tax, Income Tax dept & Others					
	i) Unsecured, Considered Good		**–**	–	279.52	210.42
4	**GST-ITC recoverable**		**–**	–	11.93	13.10
5	**Balance with Customs, Port Trust and** Excise Authorities:					
	i) Unsecured, Considered Good		**–**	–	0.53	6.11
6	**Gold / Other Precious Metals**		**–**	–	19.67	9.10
7	**Deferred Expenses**		**37.85**	27.87	3.29	2.82
8	**Other Assets**	B	**44.37**	30.24	**17.46**	–
	TOTAL		**82.73**	60.26	**377.18**	292.00

Note :

A Refer Note 44.1

B Non current asset pertains to land given on lease related to Indian Oil Corporation Ltd., the holding company

Note – 9 : INVENTORIES

(₹ in Crore)

Sl. No	Particulars	31-Mar-22		31-Mar-21
1	**In Hand :**			
	a. Stores, Spares etc.	324.43		337.58
	Less : Provision for Losses	42.83		40.05
			281.60	297.53
	b. Raw Materials		**3373.29**	1518.69
	c. Finished Products		**2456.30**	1935.27
	d. Stock in Process		**1006.28**	299.96
			7117.47	4051.45
2	**In Transit :**			
	a. Stores & Spares etc.		**8.54**	7.47
	b. Raw Materials		**406.61**	449.99
			415.15	457.46
	TOTAL		**7532.62**	4508.91
	Amount of write down of inventories to NRV and recognised as expense		–	81.57

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

Note – 10 : TRADE RECEIVABLES

(₹ in Crore)

Particulars	Note	31-Mar-22		31-Mar-21
a) From Related Parties				
i) Considered Good - Unsecured	(i)	179.08		114.42
b) From Others				
i) Considered Good -Unsecured		73.24		85.56
			252.32	199.98
TOTAL	A		**252.32**	199.98

Notes :

(i) Includes receivables from Indian Oil Corporation Ltd., the holding company ₹ 178.72 Crore (2021: ₹ 113.66 Crore) and receivables from Indian Additives Limited, Joint Venture Company ₹ 0.36 Crore (2021: ₹ 0.76 Crore).

A Offsetting Financial Assets and Financial Liabilties:

The following table presents the recognised financial instruments that are offset as at 31st March 2022 and 31st March 2021

(₹ in Crore)

Particulars	Effects of offsetting on the balance sheet		
	Gross Amount	Gross Amounts set off in the balance sheet	Net Amounts presented in the balance sheet
31/03/2022			
Financial Assets			
Trade receivables	3242.96	2990.64	252.32
Financial Liabilities			
Trade Payables	6230.70	2990.64	3240.06
31/03/2021			
Financial Assets			
Trade receivables	1489.66	1289.68	199.98
Financial Liabilities			
Trade Payables	3171.66	1289.68	1881.98

Note – 10 : TRADE RECEIVABLES (Contd..)

Offsetting Arrangements

The Trade receivables and payables to the extent being settled on net basis with Indian Oil Corporation Limited have been offset.

Trade receivables - Ageing

Current Year : (₹ in Crore)

Particulars	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	249.60	–	2.72	–	–	252.32

Previous Year : (₹ in Crore)

Particulars	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	196.59	3.27	0.07	0.04	–	199.98

Note – 11 : CASH AND CASH EQUIVALENTS

(₹ in Crore)

Sl. No	Particulars	31-Mar-22	31-Mar-21
1	**Bank Balances with Scheduled Banks :**		
	Current Account	8.33	1.15
	TOTAL	**8.33**	1.15

Note – 12 : OTHER BANK BALANCES

(₹ in Crore)

Sl. No	Particulars	Note	31-Mar-22	31-Mar-21
1	Earmarked Balances	A	3.67	3.68
	TOTAL		**3.67**	3.68

Note :

A) Pertains to Unpaid dividend (Refer note 16 - Sl.No.5)

Note – 13 : EQUITY SHARE CAPITAL

(₹ in Crore)

Particulars	Note	31-Mar-22	31-Mar-21
Authorized:			
Equity:			
40,00,00,000 (2021: 40,00,00,000) Equity Shares of ₹ 10 each		400.00	–
Preference:			
100,00,00,000 (2021:100,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each		1000.00	1000.00
		1400.00	1400.00
Issued :			
Equity:			
14,89,11,400 (2021: 14,89,11,400) Equity Shares of ₹ 10 each	(i)	148.91	148.91
Preference:			
50,00,00,000 (2021: 50,00,00,000;) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each	(ii)	500.00	500.00
		648.91	648.91
Subscribed, Called-up and fully Paid-up :			
14,89,11,400 (2021: 14,89,11,400) Equity shares of ₹10 each	(i)	148.91	148.91
Total Paid up Equity share Capital		**148.91**	148.91
TOTAL		**148.91**	148.91

Note – 13 : EQUITY SHARE CAPITAL (Contd..)

Notes :

(i) (A) As per the Formation Agreement entered into between the promoters, an offer is to be made to the Naftiran Intertrade Company Limited (NICO), an affiliate of National Iranian Oil Company (NIOC) in any issue of the Capital in proportion to the shares held by them at the time of such issue to enable them to maintain their shareholding at the existing percentage.

(B) The Shareholders of the Company at the General meeting held on 24th August 2018 has accorded approval for

a) Cancellation of unsubscribed equity share capital of ₹ 20.87 Crore consisting of 2,08,68,900 equity shares of ₹ 10/- each, comprising of partial subscription to Rights Issue made by the company in 1984, by the Government of India and non-subscription by Amoco India Inc., to the Rights Issue made by the company in 1984;

b) Cancellation of 2,19,700 forfeited equity shares of ₹ 10/- each totaling ₹ 0.22 Crore (1,87,900 equity shares forfeited on 26.09.2003 and 31,800 equity shares forfeited on 26.10.2006)

(ii) Based on special resolution passed by the shareholders through postal ballot on 16.07.2015, the company has allotted 100 Crore Non Convertible Cumulative Redeemable Preference Shares of ₹ 10 each for cash at par amounting to ₹ 1000 Crore to Indian Oil Corporation Ltd, the holding company on private placement preferential allotment basis on 24.09.2015 after receipt of full subscription amount.

Preference shares to the extent of ₹ 500 crore, out of the total outstanding amount of ₹ 1000 crore were redeemed on 06.06.2018. Accordingly the outstanding amount as at 31.03.2022 is ₹ 500 crore.

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

A. Reconciliation of No. of Shares

Particulars	31-Mar-22		31-Mar-21	
	Equity Shares	Preference Shares	Equity Shares	Preference Shares
Opening Balance	14,89,11,400	50,00,00,000	14,89,11,400	50,00,00,000
Shares Issued	–	–	–	–
Shares bought back / Redeemed	–	–	–	–
Closing Balance	**14,89,11,400**	**50,00,00,000**	14,89,11,400	50,00,00,000

B. Rights, preferences and restrictions attached to Equity shares

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

C. Shares held by Holding Company

(₹ in Crore)

	31-Mar-22	31-Mar-21
7,72,65,200 Equity Shares of ₹10 each (51.89%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.	77.27	77.27

D. Details of shareholders holdings more than 5% shares

Equity Shares

Name of Shareholder	31-Mar-22		31-Mar-21		% change during the year
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding	
Indian Oil Corporation Limited	**77265200**	**51.89**	77265200	51.89	NIL
Naftiran Intertrade Company Limited	**22932900**	**15.40**	22932900	15.40	

Note – 13 : EQUITY SHARE CAPITAL (Contd..)

E. Details of shares held by promotors

Equity Shares

Name of Shareholder	31-Mar-22		31-Mar-21		% change during the year
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding	
Indian Oil Corporation Limited	**77265200**	**51.89**	77265200	51.89	NIL
Naftiran Intertrade Company Limited	**22932900**	**15.40**	22932900	15.40	

Note – 14 : OTHER EQUITY

(₹ in Crore)

Sl. No	Particulars	Note	31-Mar-22		31-Mar-21
1	**Retained Earnings**				
a)	**General Reserve :**				
	As per last Account		3534.23		3539.50
	Add: Remeasurement of Defined Benefit Plans		23.24		(5.27)
			3557.47		3534.23
b)	**Surplus (Balance in Statement of Profit and Loss):**				
	Balance Brought Forward from Last Year's Account		(3108.70)		(3346.26)
	Add: Profit / (Loss) for the Year		1342.42		237.56
	Less: APPROPRIATIONS:				
	Capital Redemption Account		100.00		–
	Balance carried forward to next year's account		(1866.28)		(3108.70)
				1691.19	425.53
2	**Other Reserves**				
a)	**Capital Redemption Reserve :**	A			
	As per last Account		600.00		600.00
	Add: Transferred from Profit and Loss Account		100.00		0.00
				700.00	600.00
b)	**Securities Premium:**	B			
	As per last Account			**250.04**	250.04
c)	**Capital Reserve**				
	As per last Account			**0.09**	0.09
	TOTAL			**2641.32**	1275.66

Note :

Other Reserves

Reserves created in compliance with the Provision of the Companies Act, the utilisation of which is restricted to the purposes mandated therein:

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

B Securities Premium : Premium on shares issued by the company appropriated under this reserve.

Note – 15 : LONG-TERM BORROWINGS

(At Amortised Cost)

(₹ in Crore)

Sl. No	Particulars	Note	Non-current			Current Maturities		
			31-Mar-22		31-Mar-21	31-Mar-22		31-Mar-21
I.	**SECURED BORROWINGS**							
1	**Term Loans:**							
	From banks							
	i) Foreign Currency Loans NIL (2021: US $ 50 Million)	B	–		–	–	–	365.79
	Sub Total (Loans from Banks)			–	–			
	From other parties							
	i) Loans from OIDB	A		**306.55**	443.88	137.50		87.50
	Sub Total (Term Loans)			**306.55**	443.88		**137.50**	453.29
	Total Secured Borrowings			**306.55**	**443.88**		**137.50**	**453.29**
II.	**UNSECURED BORROWINGS**							
1	**Debentures**							
	8100 Nos. of 5.78% Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - I-2021 (2021: 8100)	C	810.00		810.00	33.09		33.09
	7750 Nos. of 5.44% Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - II-2022 (2021: Nil)	C	775.00		–	32.57		–
	11450 Nos. of 6.43% Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - I-2020 (2021: 11450)		–		1145.00	1151.46		6.26
	Sub Total (Term Loans)			**1585.00**	**1955.00**		**1217.12**	**39.35**
2	**Loans from related parties:**	D						
	50,00,00,000 (2021 :50,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each			**500.00**	605.76		139.01	–
	Total Unsecured Borrowings			**2085.00**	**2560.76**		**1356.13**	**39.35**
	TOTAL LONG-TERM BORROWINGS			**2391.55**	**3004.64**		**1493.63**	**492.64**

A. Secured Rupee Term Loans:

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Repayment	Security Details
1	Term Loan from Oil Industry Development Board - ₹ 50 Crore	18-03-2019	Floating rate based on month end (semi-annualised) interest rates for 5 year G-Sec as per FIMMDA plus 50% of margins of AAA rated Bonds over G-Sec as quoted in INCORP (quote AAA INBMK) reset on a quarterly basis.		First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to RLNG project
2	Term Loan from Oil Industry Development Board - ₹ 50 Crore	17-05-2019			

Note – 15 : LONG-TERM BORROWINGS (Contd..)

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Repayment	Security Details
3	Term Loan from Oil Industry Development Board - ₹ 150 Crore	30-10-2019		The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to BS-VI project
4	Term Loan from Oil Industry Development Board - ₹ 100 Crore	31-03-2020	6.16%		
5	Term Loan from Oil Industry Development Board - ₹ 100 Crore	30-06-2020	5.68%		
6	Term Loan from Oil Industry Development Board - ₹ 100 Crore	26-03-2021	Floating rate based on month end (semi-annualised) interest rates for 5 year G-Sec as per FIMMDA plus 50% of margins of AAA rated Bonds over G-Sec as quoted in INCORP (quote AAA INBMK) reset on a quarterly basis.		

B. Secured Foreign Currency Term Loans:

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Repayment	Security Details
1	Foreign Currency Term Loan from South Indian Bank -USD 50 Mn	13-12-2018	1) 6 Months LIBOR + 125 Bps for first 6 months, 2) 6 Months LIBOR + 175 Bps for next 30 months 3) Reset at half yearly intervels 4) Interest payable on monthly basis	Principal repayable at the end of 3 years from date of availment. Interest payable monthly. Fully Repaid on 10.12.2021	Pari passu first charge on entire fixed assets of the Company (excluding Land and building & assets pertaining to BS VI project and RLNG projects) with a minimum Fixed Asset Coverage Ratio of 1.50 times and second pari passu charge on movable assets of BS VI project and RLNG project.

C. Unsecured Loans:

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Redemption
1	Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series -I-2021	17-07-2020	5.78%	Principal repayable at the end of 5 years from date of availment. Interest payable Annually
2	Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series -II-2022	23-06-2021	5.44%	Principal repayable at the end of 3 years from date of availment. Interest payable Annually
3	Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series -I-2020	28-02-2020	6.43%	Principal repayable at the end of 3 years from date of availment. Interest payable Annually

Note – 15 : LONG-TERM BORROWINGS (Contd..)

D. Non Convertible Cumulative Redeemable Preference Shares

Preference Share is treated as financial liability as per Ind AS 32, as these are redeemable on maturity for a fixed determinable amount and carry fixed rate of dividend.

(i) Rights, preferences and restrictions attached to Preference shares:

The Company has one class of preference shares i.e. Non-Convertible Cumulative Redeemable Preference Shares (NCCRP Shares) of ₹ 10 per share.

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

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

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

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

(e) Dividend rate shall be equivalent to the Post tax yield of AAA rated corporate bond i.e. prevailing (at the time of issue) 10 year G-Sec yield plus spread on AAA rated corporate bond i.e., 6.65% p.a.

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

(iii) Preference Shares held by Holding Company

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
50,00,00,000 (2021 : 50,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹10/- each (100%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.	500.00	500.00

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

Name of Preference Shareholder	31-Mar-22		31-Mar-21	
	Number of Preference shares held	Percentage of Holding	Number of Preference shares held	Percentage of Holding
Indian Oil Corporation Limited	500000000	100	500000000	100

(v) Preference dividend has been provisionally accrued as finance cost. However, as per the Companies Act 2013, the preference shares is treated as part of share capital and the provisions of the Act relating to declaration of Preference Dividend would be applicable.The Board of Directors have recommended preference dividend of 6.65% on the outstanding preference shares amounting to ₹ 33.25 Cr for the year and ₹ 105.76 Cr being the cumulative preference dividend for the previous year(s).

(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		Current	
			31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
1	Liability for Capital Expenditure	A	–	–	348.34	434.46
	Less: Transfer to disposal group held for transfer	B	–	–	25.06	–
					323.28	434.46
2	Liability to Trusts and Other Funds		–	–	–	43.80
3	Employee Liabilities for Expenses		–	–	156.86	107.55
4	Security Deposits	C	6.60	6.72	31.99	35.45
5	Liability for Unpaid Dividend	D	–	–	3.67	3.68
6	Other Financial Liabilities		–	–	2.04	1.72
	TOTAL		6.60	6.72	517.84	626.66

Notes :

A Includes dues Payable to Indian Oil Corporation Limited ₹ 4.31 Crore (2021: ₹ 4.31 Crore) and Indian Oiltanking Limited ₹ 4.76 Crore (2021: ₹ 4.76 Crore)

B Refer Note 44.1

C Non-Current Liability pertains to Indian Oil Corporation Ltd., the holding company.

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

Note – 17 : PROVISIONS

(₹ in Crore)

Sl. No	Particulars	Note	Non-current		Current	
			31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
1	Provision for Employee Benefits		111.47	109.47	20.32	22.56
2	Contingencies for probable obligations	A	–	–	332.73	24.50
	TOTAL		111.47	109.47	353.05	47.06

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

Particulars	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year	Closing Balance
Sales Tax	11.16	234.98	–	0.10	246.04
Income Tax	13.34	86.69	–	13.34	86.69
TOTAL	24.50	321.67	–	13.44	332.73
Previous Year	24.39	0.11	–	–	24.50

Note – 18 : OTHER LIABILITIES

(₹ in Crore)

Sl. No	Particulars	Note	Non-current		Current	
			31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
1	Deferred Income	A	7.45	7.73	0.29	0.30
2	Government Grants					
	Liability towards Government Grants (Refer Note - 40)		11.59	7.26	1.69	1.69
3	Statutory Liabilities		–	–	479.90	628.88
4	Advances from Customers		–	–	52.43	25.60
	TOTAL		19.04	14.99	534.31	656.47

Note :

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

Note – 19 : BORROWINGS - CURRENT

(At Amortised Cost)

(₹ in Crore)

Sl. No	Particulars	Note	31-Mar-22		31-Mar-21
I.	**SECURED BORROWINGS**				
1	**Loans Repayable on Demand**				
	From Banks:				
	a) In Rupees				
	i) Working Capital Demand Loan	A	2507.46		–
	Sub-Total			2507.46	–
2	**Other Loans**				
	From Banks:				
	i) Commercial Paper - SBI	A	–		2011.42
	Sub-Total			–	2011.42
3	**Current maturities of Long term debt**			137.50	453.29
	Total Secured Borrowings			2644.96	2464.71
II.	**UNSECURED BORROWINGS**				
1	**Loans Repayable on Demand**				
	From Banks/Financial Institutions:				
	In Rupees				
	Working Capital Demand Loan		2730.23		155.02
	Sub-Total			2730.23	155.02
2	**Other Loans**				
	From Banks/Financial Institutions:				
	In Rupees				
	Commercial Paper			99.83	3484.25
3	**Current maturities of Long term debt**			1356.13	39.35
	Total Unsecured Borrowings			4186.19	3678.62
	TOTAL BORROWINGS - CURRENT			6831.15	6143.33

Notes:

A Secured against hypothecation by way of first charge on Trade Receivables & Inventories to State Bank of India.

Note – 20 : TRADE PAYABLES

(₹ in Crore)

Particulars	Note	31-Mar-22	31-Mar-21
Dues to Micro and Small Enterprises	A	6.79	9.38
Dues to Related Parties	B	1887.18	1077.29
Dues to Others		1346.09	795.31
TOTAL	C	3240.06	1881.98

Notes :

A Details relating to Micro and Small Enterprises is as follows:

Particulars	31-Mar-22	31-Mar-21
(a) the principal amount	6.79	9.38
(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;	–	–
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	–	–

Note – 20 : TRADE PAYABLES (Contd..)

Particulars	31-Mar-22	31-Mar-21
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year	–	–
(f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	–	–

B Represents dues to Indian Oil Corporation Ltd., the holding company

C Refer Note - 10(A)

D Trade Payables aging schedule

Current Year :

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment					
	Unbilled	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
(i) MSME		6.79				6.79
(ii) Others	118.38	3103.31	4.67	2.63	4.13	3233.12
(iii) Disputed dues – MSME						–
(iv) Disputed dues - Others			0.15			0.15
Total						**3240.06**

Previous Year :

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment					
	Unbilled	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
(i) MSME		9.38				9.38
(ii) Others	60.75	1793.41	3.92	3.06	10.33	1871.47
(iii) Disputed dues – MSME						0.00
(iv) Disputed dues - Others		0.15			0.98	1.13
Total						**1881.98**

Note – 21 : REVENUE FROM OPERATIONS

(₹ in Crore)

Sl. No	Particulars	Note	31-Mar-22		31-Mar-21
1	**Sale of Products and Crude (including Excise Duty)**		60504.15		41869.29
	Less: Discounts		102.13		55.34
	Sales (Net of Discounts)	A	60402.02		41813.95
2	Other Operating Revenues (Note "22.1")		72.27		85.12
				60474.29	41899.07
	TOTAL	B		**60474.29**	41899.07

Notes :

A Breakup of Gross revenue and Excise Duty on sales

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
Revenue (gross)	60402.02	41813.95
Less: Excise Duty	17358.81	19302.68
Net Revenue	**43043.21**	**22511.27**

B Refer Note-42 Revenue from contracts with customers

Note – 21.1 : OTHER OPERATING REVENUES

(₹ in Crore)

Sl. No	Particulars	Note	31-Mar-22	31-Mar-21
1	Sale of Power		**1.98**	1.91
2	Unclaimed / Unspent liabilities written back		**2.67**	0.11
3	Provision for Doubtful Debts, Advances, Claims, and Stores written back.		**–**	1.10
4	Recoveries from Employees		**1.57**	1.47
5	Sale of Scrap		**21.20**	6.99
6	Amortisation of Government Grants related to OIDB loan		**1.67**	1.31
7	Revenue Grants		**–**	1.68
8	Terminalling Charges		**1.75**	1.67
9	Other Miscellaneous Income	A	**41.43**	68.88
	TOTAL		**72.27**	85.12

A Includes ₹ Nil (2021 : ₹ 36.5 Crore) in respect of Insurance claims

Note – 22 : OTHER INCOME

(₹ in Crore)

Sl. No	Particulars	Note	31-Mar-22		31-Mar-21
1	Interest on :				
	Financial Item:				
	a) Loans and Advances		4.56		6.03
	b) Deposits		0.18		0.56
	c) Others	B	12.99		7.81
				17.73	14.40
2	Dividend from Related Parties	A		**5.92**	5.92
3	Exchange Fluctuations (Net)			**–**	86.46
4	Other Non Operating Income			**0.01**	0.10
	TOTAL			**23.66**	106.88

Note :

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

B Mainly due to reversal of interest expense under Income Tax Act

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

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
In relation to financial assets measured at amortised cost	17.73	14.40

Note – 23 : COST OF MATERIALS CONSUMED

(₹ in Crore)

Particulars	Note	31-Mar-22	31-Mar-21
Raw Material Consumed :			
Opening Balance		**1968.68**	747.31
Add :			
Purchases		**41856.41**	21086.05
Sub Total		**43825.09**	21833.36
Less: Closing Stock		**3779.90**	1968.68
TOTAL (Net)		**40045.19**	19864.68

Note – 24 : CHANGES IN INVENTORY

(₹ in Crore)

Particulars	31-Mar-22		31-Mar-21
Closing Stock			
a) Finished Products	2456.30		1935.27
b) Stock in Process	1006.28		299.96
		3462.58	2235.23
Less:			
Opening Stock			
a) Finished Products	1935.27		1061.74
b) Stock in Process	299.96		281.43
		2235.23	1343.17
NET INCREASE/(DECREASE)		**1227.35**	892.06

Note – 25 : EMPLOYEE BENEFIT EXPENSE

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
Employee Benefit Expense:		
(a) Salaries, Wages, Bonus etc	**402.90**	435.76
(b) Contribution to Provident & Other Funds	**89.07**	73.64
(c) Staff Welfare Expenses	**63.29**	55.11
TOTAL	**555.26**	564.51

Notes :

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

B Above excludes ₹ 38.84 Crore (2021: ₹ 24.94 Crore) transferred to in capital work in progress (Note - 2.2)

Note – 26 : FINANCE COSTS

(₹ in Crore)

Sl. No	Particulars	Note	31-Mar-22		31-Mar-21
1	**Interest Payments on Financial items:**	(i)			
	I **Working Capital Loans**				
	Short term Borrowings		227.70		227.69
	Other Loans				
	Debentures/Long Term Loan	A	140.61		108.86
				368.31	336.55
	II Unwinding of Finance cost on Lease obligations			**1.80**	1.90
	III Interest expense for Preference Shares treated as financial liabilities	B		**33.25**	33.25
2	**Interest Payments on Non Financial items**			**0.36**	0.80
3	**Other Borrowing Cost**	C		**1.15**	2.54
4	**Exchange differences regarded as adjustment to borrowing cost**			**7.57**	–
	TOTAL			**412.44**	375.04

Notes :					
A	Net of interest capitalised as part of CWIP			**51.40**	**47.04**
B	Refer Note-15 D (v)	3	–	**–**	–

(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)

Particulars	31-Mar-22	31-Mar-21
In relation to financial liabilities measured at amortised cost	403.36	371.70

C Mainly pertains to Stamp duty & other indirect expenses on borrowings.

Note – 27 : OTHER EXPENSES

(₹ in Crore)

Sl. No	Particulars	Note	31-Mar-22		31-Mar-21
1	Consumption:				
	a) Stores, Spares and Consumables		94.41		77.81
	b) Packages & Drum Sheets		1.26		0.85
				95.67	78.66
2	Power & Fuel		2485.20		1552.22
	Less : Fuel from own production		2419.28		1494.25
				65.92	57.97
3	Irrecoverable taxes - Central Sales Tax			**307.09**	222.34
4	Repairs and Maintenance				
	i) Plant & Machinery		186.15		162.73
	ii) Buildings		1.09		0.70
	iii) Others		66.97		46.44
				254.21	209.87
5	Freight, Transportation Charges and Demurrage			**27.37**	112.05
6	Office Administration, Selling and Other Expenses			**481.46**	175.37
	(Refer Note "27.1")				
	TOTAL			**1231.72**	**856.26**
	Less: Company's use of own Products			**1.10**	0.65
	TOTAL (Net)			**1230.62**	**855.61**

Note – 27.1 : OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES

(₹ in Crore)

Sl. No	Particulars	Note	31-Mar-22		31-Mar-21
1	Rent			**11.60**	8.34
2	Insurance			**27.83**	23.71
3	Rates & Taxes			**2.14**	1.92
4	Payment to auditors :				
	a) For Statutory Audit		0.24		0.29
	b) For Limited Review		0.12		0.12
	c) For Taxation Matters		0.04		0.07
	d) Other Services(for issuing other certificates etc.)		0.03		0.03
				0.43	0.51
5	Travelling & Conveyance			**18.58**	14.94
6	Communication Expenses			**1.63**	1.95
7	Printing & Stationery			**0.93**	1.21
8	Electricity & Water			**0.46**	0.78
9	Bank Charges			**0.77**	1.43
10	Provision / Loss on Assets sold or written off (Net)			**12.10**	51.34
11	Technical Assistance Fees			**8.65**	5.17
12	Exchange Fluctuation (Net)			**98.65**	0.00
13	Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores			**2.78**	1.05
14	Security Force Expenses			**30.16**	33.99
15	Terminalling Charges			**9.90**	8.96
16	Provision for Probable Contingencies			**234.86**	0.11
17	Expenses on CSR Activities	Refer Note:39		**–**	1.96
18	Miscellaneous Expenses	A		**19.99**	18.00
	TOTAL			**481.46**	**175.37**

Note :

A Miscellaneous Expenses Includes:

i) Expenditure on Advertisement, Public Relations and Publicity amounting to ₹ 0.49 Crore (2021: ₹ 0.44 Crore). The ratio of annual expenditure on Advertisement,Public Relations and Publicity to the annual turnover (inclusive of excise duty) is 0.00001:1 (2021: 0.00001:1)

ii) Entertainment Expenses ₹ 0.16 Crore (2021: ₹ 0.2 Crore)

Note – 28 : OTHER COMPREHENSIVE INCOME

(₹ in Crore)

Sl. No	Particulars	31-Mar-22		31-Mar-21
A.	**Items that will not be reclassified to profit or loss:**			
1	Remeasurement of Defined Benefit Plans	30.85		(7.21)
			30.85	(7.21)
B.	**Income Tax relating to items that will not be reclassified to profit or loss:**			
1	Remeasurement of Defined Benefit Plans	(7.61)		1.94
			(7.61)	1.94
	TOTAL		**23.24**	**(5.27)**

Note – 29 : DISTRIBUTIONS MADE AND PROPOSED

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
Cash dividends on Equity shares	–	–
	–	–
Proposed dividends on Equity shares:		
Final dividend for year ended 31 March 2022: ₹ 2 per share (31 March 2021: ₹ NIL per share)	**29.78**	–
	29.78	–

Proposed dividend on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability as at 31 March 2022

Note : Refer Note-15 D (v) for Preference dividend

Note – 30 : EARNINGS PER SHARE (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
Profit / (Loss) attributable to equity holders (₹ in Crore)	**1342.42**	237.56
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	**148911400**	148911400
Earning Per Share (Basic and Diluted) (₹)	**90.15**	15.95
Face value per share (₹)	**10.00**	10.00

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

(₹ in Crore)

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying Amount	
					As at 31-Mar-22	As at 31-Mar-21
Indian Additives Limited	India	50%	Joint Venture	Equity Accounting	11.83	11.83
National Aromatics and Petrochemical Corporation Limited	India	50%	Joint Venture	Equity Accounting	Nil	Nil

Note – 32 : EMPLOYEE BENEFITS

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

A. Defined Contribution Plans- General Description

Pension Scheme:

During the year, the company has recognised ₹ 24.62 Crore (2021: ₹ 21.1 Crore) towards contribution to Defined Employees Pension Scheme in the Statement of Profit and Loss / CWIP (included in Contribution to Provident & Other Funds in Note - 25 / Construction period expenses in Note-2.1)

During the year, the company has recognised ₹ 1.81 Crore (2021: ₹ 1.95 Crore) as contribution to EPS-95 in the Statment of Profit and Loss / CWIP (included in Contribution to Provident and Other Funds in Note - 26 / Construction period expenses in Note-2.1)

B. Defined Benefit Plans- General Description

1 Provident Fund:

The Company's contribution to the Provident Fund is remitted to separate provident fund trust established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company. The Provident Fund maintained by the PF Trust in respect of which actuarial valuation is carried out and ₹ 4.91 Crore (2021 : ₹ 4.34 Crore) has been provided by the company towards the current and future interest shortfall/losses beyond available surplus.

2 Gratuity:

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the eligible salary for every completed year of service subject to a maximum of ₹ 0.20 Crore at the time of separation from the company. Besides, the ceiling of gratuity increases by 25% whenever IDA rises by 50%. The company has funded the liability through insurance company.

3 Post Retirement Medical Scheme (PRMS):

PRMS provides medical benefit to retired employees and eligible dependant family members.The company has funded the liability through insurer managed funds.

4 Workman Compensation:

The company pays an equivalent amount of 100 months salary to the family member of employee, if employee dies due to accidental death while he is on duty. This scheme is not funded by the company. The liability originates out of the workman compensation Act and Factory Act.

C. Other Long-Term Employee Benefits - General Description

1 Leave Encashment:

(i) Each employee is entitled to get 8 days of earned leave for each completed quarter of service. Encashment of earned leave is allowed during service leaving a minimum balance of 15 days subject to maximum accumulation up to 300 days. In addition each employee is entitled to get 5 days of sick leave at the end of every six months. The Company has been adopting a practice of permitting encashment of the entire accumulation of sick leave only at the time of retirement.

(ii) DPE Guidelines in this regard states that sick leave cannot be encashed. The company continues this practice keeping in view operational complications and service agreements. Our Holding company has represented to the concerned authorities in earlier years to reconsider the matter. The matter has been dealt in 3rd PRC recommendations, which is effective January 1, 2017 and CPSEs have been allowed to frame their own rules considering operational necessities and subject to conditions set therein. The net expenditure accounted towards encashment of sick leave for the year is ₹ 1.96 Crore (2021: ₹ 6.94 crore). The accumulated provision for towards encashment of sick leave is ₹ 29.86 Crore (2021: ₹ 32.51 Crore).

Note – 32 : EMPLOYEE BENEFITS (Contd..)

2 Long Service Award:

On completion of specified period of service with the Company and also at the time of retirement, employees are rewarded with Prepaid Card as per eligibility, based on the duration of service completed based on the Board approved policy. This award based on length of meritorious and faithful service of employees (Long Service Award) was specifically allowed by DPE (formerly BPE) thru its letter dated 14.02.1983. MOP&NG has advised the Company that the Scheme is in contravention to the present DPE guidelines issued vide DPE OM No. 2(22)/97-DPE(WC) dated 20th November, 1997. The matter is being pursued with MOP&NG for resolution. Pending resolution of the matter, the company is of the view that the provision is in line with Board approved policy. The net expenditure accounted on this account is ₹ 0.96 Crore (2021: ₹ 0.80 Crore). The accumulated provision in this regard is ₹ 10.95 Crore (2021: ₹ 11.54 Crore). The Company continues this practice keeping in view operational complications and service agreements. Our Holding company has represented to the concerned authorities in earlier years to reconsider the matter.

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

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

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

(₹ in Crore)

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Defined Obligation at the beginning	**617.28**	**163.96**	**258.00**
	596.00	*154.79*	*236.68*
Current Service Cost	**23.58**	**3.35**	**3.93**
	26.59	*2.39*	*3.76*
Interest Cost	**61.21**	**11.23**	**17.83**
	45.86	*10.57*	*16.12*
Past Service Cost	–	**0.00**	–
	–	*16.83*	–
Benefits paid	**(112.73)**	**(19.53)**	**(6.01)**
	(104.91)	*(19.52)*	*(4.13)*
Employee Contribution	**40.41**	–	–
	48.34	–	–
Transferred from other company	**(0.12)**	–	–
	(0.30)	–	–
Actuarial (gain)/ loss on obligations	**0.27**	**(5.55)**	**(19.16)**
	5.70	*(1.10)*	*5.58*
Defined Benefit Obligation at the end of the year	**629.90**	**153.46**	**254.59**
	617.28	*163.96*	*258.00*

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

(₹ in Crore)

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Fair Value of Plan Assets at the beginning of the year	**612.93**	**137.53**	**246.45**
	599.11	*132.89*	*195.01*
Expected return on plan assets (Interest Income)	**60.93**	**9.42**	**17.03**
	45.86	*9.08*	*13.28*
Contribution by employer	**23.58**	**23.59**	**8.29**
	26.59	*14.28*	*41.68*
Contribution by employees	**40.41**	–	–
	48.34	–	–
Benefit paid	**(112.73)**	**(1.94)**	–
	(104.91)	*(19.52)*	–

Note – 32 : EMPLOYEE BENEFITS (Contd..)

(₹ in Crore)

	Provident Fund Funded	Gratuity Funded	PRMS Funded
Transferred from other company	**(0.12)**	**–**	**–**
	(0.30)	*–*	*–*
Actuarial gain / (losses)(Return on Plan Assets excl interest income)	**–**	**2.29**	**4.11**
	(1.76)	*0.80*	*–3.52*
Fair value of plan assets at the end of the year	**625.00**	**170.89**	**275.88**
	612.93	*137.53*	*246.45*

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

(₹ in Crore)

	Provident Fund Funded	Gratuity Funded	PRMS Funded
Fair Value of Plan Assets at the end of the year	**625.00**	**170.89**	**275.88**
	612.93	*137.53*	*246.45*
Defined Benefit Obligation at the end of the year	**629.90**	**153.46**	**254.59**
	617.28	*163.96*	*258.00*
Liability / (Asset)recognised in the Balance Sheet	**4.90**	**(17.43)**	**(21.29)**
	4.35	*26.43*	*11.55*
Amount not recognised in the Balance Sheet	**–**	**–**	**–**
	–	*–*	*–*

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

(₹ in Crore)

	Provident Fund Funded	Gratuity Funded	PRMS Funded
Current Service Cost	**23.58**	**3.35**	**3.93**
	26.59	*2.39*	*3.76*
Interest Cost	**61.21**	**11.23**	**17.83**
	45.86	*10.57*	*16.12*
Expected (return) / loss on plan asset	**(60.93)**	**(9.42)**	**(17.03)**
	(45.86)	*(9.08)*	*(13.28)*
Contribution by Employees	**–**	**–**	**(0.12)**
	–	*–*	*–*
Past Service Cost	**–**	**–**	**–**
	–	*16.83*	*–*
Expenses for the year	**23.86**	**5.16**	**4.61**
	26.59	*20.71*	*6.60*

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

(₹ in Crore)

	Provident Fund Funded	Gratuity Funded	PRMS Funded
Actuarial (gain)/ loss on Obligations	**0.27**	**(5.55)**	**(19.16)**
	5.70	*(1.10)*	*5.58*
Remeasurement (Return on Plan Assets excl interest income)	**–**	**(2.29)**	**(4.11)**
	(1.76)	*(0.80)*	*(3.52)*
Net Loss / (Gain) recognized in OCI	**0.27**	**(7.84)**	**(23.27)**
	–	*(1.90)*	*9.10*
Net Loss / (Gain) not recognized in P&L / OCI	**–**	**–**	**–**
	7.46	*–*	*–*

Note – 32 : EMPLOYEE BENEFITS (Contd..)

(vi) Major Actuarial Assumptions

(₹ in Crore)

	Provident Fund Funded	Gratuity Funded	PRMS Funded
Discount rate	**7.23%**	**7.23%**	**7.40%**
	6.85%	*6.85%*	*6.91%*
Guaranteed return on plan assets	**8.10%**	**–**	**–**
	8.50%	*–*	*–*
Salary escalation	**–**	**8.00%**	**–**
	–	*8.00%*	*–*
Inflation	**–**	**–**	**7.00%**
	–	*–*	*7.00%*

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

(vii) Sensitivity on Actuarial Assumptions:

(₹ in Crore)

Loss / (Gain) for:	Gratuity Funded	PRMS Funded
Change in Discounting Rate		
Increase by 0.5%	**(4.76)**	**(19.22)**
	(4.97)	*(20.75)*
Decrease by 0.5%	**5.11**	**21.88**
	5.36	*23.77*
Change in Employee Turnover		
Increase by 0.5%	**0.42**	**0.50**
	0.35	*0.28*
Decrease by 0.5%	**(0.44)**	**(0.54)**
	(0.36)	*(0.30)*
Change in Salary Escalation/ Inflation rate		
Increase by 0.5%	**4.13**	**21.99**
	4.02	*23.77*
Decrease by 0.5%	**(3.78)**	**(19.48)**
	(3.69)	*(20.95)*

(viii) Investment details:

(₹ in Crore)

	Provident Fund Funded	Gratuity Funded	PRMS Funded
Investment with Insurer	**–**	**100.00%**	**100.00%**
	–	*100.00%*	*100.00%*
Self managed investments	**100.00%**	**–**	**–**
	100.00%	*–*	*–*

Note – 32 : EMPLOYEE BENEFITS (Contd..)

Details of the investment pattern for the above mentioned funded obligations is as under:

(₹ in Crore)

	Provident Fund Funded	Gratuity Funded	PRMS Funded
Government securities (Central & State)	**48.46%**	**29.80%**	**81.85%**
	42.33%	*75.11%*	*79.55%*
Investment in Equity / Mutual Funds	**10.24%**	**14.51%**	**8.39%**
	7.26%	*9.07%*	*5.85%*
Investment in Debentures / Securities	**36.37%**	**50.98%**	**9.23%**
	44.21%	*14.80%*	*13.27%*
Other approved investments (incl. Cash)	**4.92%**	**4.71%**	**0.53%**
	6.20%	*1.03%*	*1.33%*

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

(₹ in Crore)

Cash Flow Projection from the Fund/Employer	Gratuity Funded	PRMS Funded	Total
Within next 12 Months	**20.49**	**7.53**	**28.02**
	24.44	6.50	30.95
Between 2 to 5 Years	**62.69**	**38.82**	**101.50**
	63.02	34.85	97.87
Between 6 to 10 Years	**70.38**	**70.10**	**140.48**
	74.90	64.17	139.07

(₹ in Crore)

	Gratuity Funded	PRMS Funded
Weighted Average Duration of Defined Benefit Obligation	**8 Years**	**14 Years**
	8 Years	*16 Years*

Note – 33 : COMMITMENTS AND CONTINGENCIES

A Leases

(a) As lessee

The Company has entered into various material lease arrangements (including in substance lease arrangements) such as lands and buildings for purpose of its plants, facilities, offices, etc..,

The Employees Township at Cauvery Basin Refinery has been constructed on land area of thirty four acres and forty nine cents of land leased from a trust on five-year renewable basis.

Amount Recognized in Statement of Profit and Loss Account or Carrying Amount of Another Asset

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
Depreciation recognized	6.27	5.64
Interest on lease liabilities	1.39	1.48
Expenses relating to short-term leases (leases more than 30 days but less than 12 months)	2.46	3.13
Variable lease payments not included in the measurement of lease liabilities	2.19	4.25
Total cash outflow for leases	12.02	14.15
Additions to ROU during the year	2.61	9.83
Net Carrying Amount of ROU at the end the year	13.49	17.15

Note – 33 : COMMITMENTS AND CONTINGENCIES (Contd..)

The details of ROU Asset other than leasehold land included in PPE (Note 2) held as lessee by class of underlying asset is presented below :-

Current Year :

(₹ in Crore)

Asset Class	Items Added to RoU Asset as on 01.04.2021	Additions to RoU Asset during the Year	Depreciation Recognized During the Year	Net Carrying value as on 31.03.2022
Leasehold Land	8.42	0.94	1.50	7.86
Buildings Roads etc.	0.33	–	0.02	0.31
Plant & Equipment	1.11	–	1.11	–
Transport Equipments	7.29	1.67	3.64	5.32
Total	**17.15**	**2.61**	**6.27**	**13.49**

Previous Year :

(₹ in Crore)

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

As per requirement of the standard, maturity analysis of Lease Liabilities have been shown as part of borrowings under Liquidity Risk of Note 36: Financial Instruments & Risk Factors.

Details of items of future cash outflows which the Company is exposed as lessee but are not reflected in the measurement of lease liabilities are as under;

(i) Variable Lease Payments

As per general industry practice, the Company incurs various variable lease payments which are based on rate, kms covered etc. and are recognized in profit or loss and not included in the measurement of lease liability.

(b) As lessor

(i) Operating Lease

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

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
A. Lease rentals recognized during the period	30.62	30.06
B. Value of assets given on lease included in tangible assets		
– Gross Carrying Amount	9.99	9.63
– Accumulated Depreciation	1.41	1.13
– Depreciation recognized in the Statement of Profit and Loss	0.19	0.19

These relate to storage tankage facilities for petroleum products, buildings, plant and equipments given on lease. Asset class wise details have been presented under Note 2: Property, Plant & Equipments.

Note – 33 : COMMITMENTS AND CONTINGENCIES (Contd..)

Maturity Analysis of Undiscounted Lease Payments to be received after the reporting date

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
Less than one year	16.75	15.27
One to two years	15.16	14.38
Two to three year	15.92	15.11
Three to four years	16.74	15.89
Four to five years	17.52	16.70
More than five years	712.23	729.75
Total	**794.32**	**807.10**

B **Contingent Liabilities**

Contingent Liabilities amounting to ₹201.48 Crore (2021: ₹444.66 Crore) are as under:

(i) ₹ 28.03 Crore (2021: ₹ 26.61 Crore) being the demands raised by the Central Excise / Customs / Service Tax Authorities including interest of ₹ 12.26 Crore (2021: ₹ 11 Crore).

(ii) ₹ 145.73 Crore (2021: ₹ 381.26 Crore) being the demands raised by the VAT/ Sales Tax Authorities and includes no interest (2021: Nil).

(iii) ₹ 20.67 Crore (2021: ₹ 28.93 Crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹ 8.41 Crore (2021: ₹ 7.77 Crore).

(iv) ₹ 7.05 Crore (2021: ₹ 7.86 Crore) in respect of other claims including interest of ₹ 1.27 Crore (2021: ₹ 1.17 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 ₹ 266.81 Crore (2021: ₹ 424.07 Crore).

(ii) Other Commitments

The Company has an export obligation to the extent of ₹ 147.02 Crore (2021: ₹ 147.02 Crore) on account of concessional rate of customs duty availed under EPCG license scheme on procurement of capital goods and the same is expected to be fulfilled by way of exports.

Note - 34 "Related Party Disclosures" in compliance with Ind-AS 24, are given below:

1. **Relationship with Entities**

A. Details of Holding Company

1) Indian Oil Corporation Limited (IOCL)

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

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
• Sale of Product and Services	57194.25	39814.53
• Dividend on Preference Shares	33.25	33.25
• EDP Maintenance	3.08	3.08
• Other Operating Income	32.52	31.82
• Purchase of Raw Material	969.91	681.13
• Purchase of Stock-in-Trade	47.72	39.94
• Purchase of Stores & Spares	5.10	4.94

Note - 34 "Related Party Disclosures" in compliance with Ind-AS 24, are given below:(Contd..)

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
• Payment towards License fee	–	9.81
• Canalising commission	**6.35**	6.00
• Vessel hiring charges	**84.68**	20.44
• Terminalling and Facilitation Charges	**6.00**	2.90
• Rental Expenditure	**3.18**	4.90
• Subscription Expenses	**0.30**	0.00
• Training Expenses	**0.03**	0.00
• Security Expenses	–	0.01
• Purchase of RLNG	**1355.02**	745.83
• Finance Cost - Unwinding of finance cost	**0.40**	0.40
• Capital Advances / (Liabilities)	**(4.31)**	(4.31)
• Revenue Advances	**0.16**	0.13
• Outstanding Receivables	**178.72**	114.56
• Other Liabilities - Land given on lease	**14.34**	14.74
• Other Non - current Assets - Land given on lease	**44.37**	30.24
• Outstanding payables		
Trade Payables	**1887.18**	1077.29
Preference Shares (at face value)	**500.00**	500.00

B. Details of Joint Ventures

i) Indian Additives Limited

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
• Investment	**11.83**	11.83
• Sale of Product	**29.65**	11.00
• Rental income	**0.58**	0.14
• Maintenance Expenses	**1.30**	–
• Dividend received	**5.92**	5.92
• Outstanding Payables	**1.30**	–
• Outstanding Receivables	**0.36**	0.76

ii) National Aromatics & Petrochemicals Corp. Limited

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
• Investments in Joint Venture Entities/ Associates	**0.03**	0.03
• Claims recoverable	**22.66**	22.66

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

C. Entities Over which KMP has significant influence

i) CPCL Educational Trust

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
• CSR Expenses	**0.00**	0.30

D. Associates of Holding Company

i) Indian Oiltanking Limited

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
• Outstanding payable	**4.76**	4.76

Note - 34 "Related Party Disclosures" in compliance with Ind-AS 24, are given below:(Contd..)

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

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

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

Nature of Transactions:

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

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

2) Key Managerial Personnel

A. Whole Time Directors / Company Secretary	B. Independent / Part time Non-Executive Directors (Government / IOCL/ NICO Nominee)
1) Shri S.N. Pandey (Upto 31.01.2021)	1) Shri Sanjiv Singh (Non - Executive Chairman) (Upto 30.06.2020)
2) Shri Arvind Kumar (w.e.f 27.08.2021)	2) Shri S M Vaidya (Non - Executive Chairman) (w.e.f 01.07.2020)
3) Shri Rajeev Ailawadi	3) Smt Perin Devi (Upto 23.11.2020)
4) Shri R.Srikanthan (Upto 30.09.2020)	4) Shri D. Durai Ganesan (Upto 13.08.2021)
5) Shri. S.Krishnan	5) Smt. Sobha Surendran
6) Shri H. Shankar (w.e.f. 01.10.2020)	6) Shri Mohammad Bagher Dakhili
7) Shri P.Shankar	7) Shri Babak Bagherpour
	8) Shri M Narayana Rao
	9) Shri Amitabh Mathur
	10) Shri Mr. Deepak Srivastava (w.e.f 10.08.2021)
	11) Ms. Sukla Mistry (w.e.f. 16.11.2021)
	12) Shri Dr. C. K. Shivanna (w.e.f. 16.11.2021)
	13) Shri Ravi Kumar Rungta (w.e.f. 16.11.2021)
	14) Shri Manoj Sharma (Upto .09.11.2021)
	15) Shri Sukh Ram Meena (Upto .09.08.2021)

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

For the Year ended 31-Mar-2022

(₹ in Crore)

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termi-nation Benefits	Total Remu-neration	Sitting Fee	Outstanding loans/advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri Arvind Kumar	0.25	0.06	–	–	0.31	–	0.09
2) Shri Rajeev Ailawadi	0.63	0.10	–	–	0.73	–	–
3) Shri S.Krishnan	0.68	0.11	–	–	0.79	–	–
4) Shri H.Shankar	0.51	0.10	–	–	0.61	–	0.30
6) Shri P.Shankar	0.56	0.09	0.01	–	0.66	–	0.06
B. Independent / Government Nominee Directors#							
1) Shri. D.Durai Ganesan	–	–	–	–	–	0.02	–
2) Shri. Amitabh Mathur						0.05	
3) Shri. Myneni Narayana Rao						0.05	
4) Smt. Sobha Surendran						0.03	
5) Shri. Ravi Kumar Rungta						0.00	
6) Dr. C.K Shivanna						0.00	
TOTAL	**2.63**	**0.46**	**0.01**	**–**	**3.10**	**0.15**	**0.45**

Sitting fees paid to Independent Directors

Note - 34 "Related Party Disclosures" in compliance with Ind-AS 24, are given below:(Contd..)

For the Year ended 31-Mar-2021

(₹ in Crore)

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termi-nation Benefits	Total Remu-neration	Sitting Fee	Outstanding loans/advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri S.N. Pandey	0.28	0.08	0.36	–	0.72	–	–
2) Shri Rajeev Ailawadi	0.42	0.09	0.06	–	0.57	–	–
3) Shri R. Srikanthan	0.22	0.04	0.44	–	0.70	–	–
4) Shri S. Krishnan	0.46	0.10	–	–	0.56	–	0.02
5) Shri H. Shankar	0.18	0.04	0.02	–	0.24	–	0.22
6) Shri P.Shankar	0.41	0.09	–	–	0.50	–	0.08
B. Independent / Government Nominee Directors#							
1) Shri. D.Durai Ganesan	–	–	–	–	–	0.05	–
2) Shri. Amitabh Mathur	–	–	–	–	–	0.05	–
3) Shri. Myneni Narayana Rao	–	–	–	–	–	0.04	–
4) Shri. Sobha Surendran	–	–	–	–	–	0.03	–
TOTAL	**1.97**	**0.44**	**0.88**	**–**	**3.29**	**0.17**	**0.32**

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-22		31-Mar-21	
			Contribution by Employer	Outstanding Payable	Contribution by Employer	Outstanding Payable
A	CPCL Employees Provident Fund	Provident Fund	24.05	2.00	28.25	2.00
B	CPCL Employees Superannuation Benefit Fund	Pension Scheme	11.52	–	11.05	–
C	CPCL Employees Group Gratuity Trust	Gratuity	23.59	0.00	14.28	26.43
D	Post Retirement Medical Benefit Trust	PRMB	8.17	0.00	41.68	11.55

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-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021	
Financial Assets					
Amortised Cost:					
Loans to employees	**71.55**	64.61	**52.92**	55.37	Level 2
Total	**71.55**	64.61	**52.92**	55.37	
Financial liabilities					
A. Borrowings:					
Amortised Cost:					
Non-Convertible Redeemable Debentures	**2802.12**	1994.35	**2818.63**	1941.08	Level 2
Lease obligation	**15.63**	18.99	**15.88**	19.56	Level 2
Preference Shares	**639.01**	605.76	**626.40**	600.00	Level 2
Term Loans from Oil Industry Development Board (OIDB)	**444.05**	531.38	**452.66**	536.50	Level 2
Total	**3900.81**	3150.48	**3913.57**	3097.14	

Note – 35 : FAIR VALUES (Contd..)

Notes:

1. Levels under Fair Value measurement hierarchy are as follows:

   (a) **Level 1** items fair valuation is based upon **market price quotation at each reporting date**

   (b) **Level 2** items fair valuation is based upon **Significant observable inputs like PV of future cash flows, MTM valuation, etc.**

   (c) **Level 3** items fair valuation is based upon **Significant unobservable inputs wherein valuation done by independent valuer.**

2. The management assessed that Trade Receivables, Cash and Cash Equivalents, Bank Balances, Deposit for Leave Encashment Fund, Recoverable from Employee Benefits Trusts, Other Non-derivative Current Financial Assets, Short-term Borrowings, Trade Payables, Floating Rate Loans and Other Non-derivative Current Financial Liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

3. The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Methods and assumptions

The following methods and assumptions were used to estimate the fair values at the reporting date:

Level 2 Hierarchy:

(i) **Derivative instruments at fair value through profit or loss viz.Foreign exchange forward contracts:** Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs are considered.

(ii) **Loans to employees, Loan to related parties, Security deposits paid and Security deposits received,Lease obligations:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities

(iii) **Non Convertible Redeemable Preference shares :** The fair value of Preference shares is estimated by discounting future cash flows.

(iv) **Term Loans from Oil Industry Development Board (OIDB):** Discounting future cash flows using rates currently available for similar type of borrowings (OIDB Borrowing rate) using exit model as per Ind AS 113.

Note – 36 : FINANCIAL INSTRUMENTS AND RISK FACTORS

Financial Risk Factors

The Company's principal financial liabilities, other than derivatives, comprise Borrowings, trade and other payables, security deposits and employee liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include loans & advances, trade and other receivables, short-term deposits and cash / cash equivalents that derive directly from its operations. The company's requirement of crude oil imports are canalized through its holding company, Indian Oil Corporation Limited. The derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that trading in derivatives are taken only to hedge the various risks that the company is exposed to and not for speculation purpose.

The Company is exposed to a number of different financial risks arising from natural business exposures as well as its use of financial instruments including market risk relating to interest rate, commodity prices, foreign currency exchange rates and equity price, credit risk and liquidity risk.

To ensure alignment of Risk Management system with the corporate and operational objective and to improve upon the existing procedure, the Executive Committee of the company constituted a Committee comprising of officials from various functional areas to identify the risks in the present context, prioritize them and formulate proper action plan for implementation. The Committee has formulated the Risk Management Policy.

Note – 36 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd..)

The Action Taken Report on the Risk Management Policy for the year 2021-22 was reviewed by the Risk Management Committee, Audit Committee and Board of Directors at their meetings held on 27.04.2022.

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

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The major components of market risk are interest rate risk, foreign currency risk, commodity price risk and other price risks etc. Financial instruments affected by market risk include Borrowings, Deposits and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2022 and 31 March 2021

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions, and other non-financial assets.

The following assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at 31 March 2022 and 31 March 2021 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 2022.

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 2022, approximately 92% of the Company's Long term borrowings are at fixed rate of interest (31 March 2021: 87%).

The sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, on floating rate borrowings is as follows:

Currency	Increase / Decrease in basis points	Effect on profit before tax (₹ in Crore)	Increase / Decrease in basis points	Effect on profit before tax (₹ in Crore)
	31-Mar-22		31-Mar-21	
INR	**+50**	**(1.35)**	+50	(0.49)
US Dollar	**+50**	**–**	+50	(1.83)
INR	**–50**	**1.35**	–50	0.49
US Dollar	**–50**	**–**	–50	1.83

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.

Note – 36 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd..)

The Company manages its foreign currency risk through combination of natural hedge, hedging undertaken on occurrence of pre-determined triggers as per the Risk management policy. The hedging is undertaken through forward contracts.

The sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant and the impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities is tabulated below. The Company's exposure to foreign currency changes for all other currencies is not material.

Currency	Increase / Decrease in %	Effect on profit before tax (₹ in Crore)	Increase / Decrease in %	Effect on profit before tax (₹ in Crore)
	31-Mar-22		31-Mar-21	
US Dollar	+5%	(224.94)	+5%	(127.28)
	-5%	224.94	–5%	127.28

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 2022 and 31 March 2021 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.

Note – 36 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd..)

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-2022						
Borrowings	5237.69	137.33	1390.47	2457.22	–	9222.70
Lease obligations	0.00	1.10	3.37	8.60	2.56	15.63
Trade payables	287.59	2952.47	–	–	–	3240.06
Other financial liabilities	517.84	–	–	6.60	–	524.44
	6043.11	**3090.90**	**1393.84**	**2472.42**	**2.56**	**13002.83**
Year ended 31-Mar-2021						
Borrowings	155.02	5508.17	480.14	3004.64	–	9147.97
Lease obligations	0.00	1.49	4.19	13.31	–	18.99
Trade payables	248.16	1633.82	–	–	–	1881.98
Other financial liabilities	626.66	–	–	6.72	–	633.38
	1029.84	**7143.48**	**484.33**	**3024.67**	**–**	**11682.32**

D. Excessive risk concentration

Substantial portion of the Company's sales is to the Holding Company, Indian Oil Corporation Limited. Consequently, trade receivables from IOCL are a significant proportion of the Company's receivables. Since the operations are synchronised with those of the Holding Company, for optimal results, the same does not present any risk.

E. Collateral

As the Company has been rated investment grade by various rating agencies, there has been no requirement of submitting any collateral for booking of derivative contracts. The Company undertakes derivatives contract only with those counterparties that have credit rating above the internally approved threshold rating. Accordingly, the Company does not seek any collaterals from its counterparties.

Note – 37 : CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company monitors capital using debt equity ratio, which is borrowings divided by Equity. The Company's strategy is to keep the debt equity ratio in the range of 2:1 and 1:1 under normal circumstances. The Company also includes accrued interest in the borrowings for the purpose of capital management. The Debt-Equity ratio which impacted due to the lower product cracks arising out of the CoVID-19 situation has improved during the year. Need for capital infusion, would be reasssed based on the turnaround of the situation.

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
Borrowings	9222.70	9147.97
Total Borrowings	**9222.70**	**9147.97**
Equity Share Capital	148.91	148.91
Reserves and Surplus	2641.32	1275.66
Equity	**2790.23**	**1424.57**
Debt Equity Ratio	**3.31 : 1**	**6.42 : 1**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2022 and 31st March 2021

Note – 38 : RESEARCH AND DEVELOPMENT COSTS

Research and Development Expenses of ₹ 1.46 Crore(2021: ₹ 0.62 Crore) of capital expenditure incurred and ₹ 5.69 Crore (2021 ₹ 5.64 Crore) of recurring expenditure have been accounted for in the Statment of Profit and Loss during the year. Detailed break up of total expenditure is as under:

A. CAPITAL EXPENSES (PROPERTY, PLANT & EQUIPMENT)

(₹ in Crore)

Asset Block	Gross Block as at 1st Apr 2021	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at 31st Mar 2022	Work-in-Progress as at 1 Apr 2021	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31st Mar 2022	Total Capital Expenditure
1	2	3	4	5	6 = (2+3+4-5)	7	8	9	10 = (7+8-9)	11=(3+8)
Property, Plant & Equipment										
Plant & Equipment	17.02	0.95	–	1.57	**16.40**	–	–	–	–	**0.95**
Office Equipment	0.30	0.51	–	–	**0.81**	–	–	–	–	**0.51**
Furniture & Fixtures	0.28	–	–	–	**0.28**	–	–	–	–	**–**
Total	**17.60**	**1.46**	**–**	**1.57**	**17.49**	**–**	**–**	**–**	**–**	**1.46**

B. RECURRING EXPENSES

(₹ in Crore)

Sl. No	Particulars	31-Mar-22	31-Mar-21
1	Consumption of Stores, Spares & Consumables	0.57	0.25
2	**Repairs & Maintenance**		
	(a) Plant & Equipment	0.25	0.24
3	Payment to and Provisions for employees	4.05	4.67
4	Other Expenses	0.82	0.48
	Total	**5.69**	**5.64**

C. TOTAL RESEARCH EXPENSES

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
Capital Expenditure	1.46	0.62
Recurring Expenditure	5.69	5.64
Total	**7.15**	**6.26**

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

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
Surplus brought forward from previous year	1.96	–
(i) Amount required to be spent by the company during the year	–	–
(ii) Amount of expenditure incurred	9.73	1.96
(iii) Shortfall at the end of the year	–	–
(iv) Total of previous year shortfall	–	–
(v) Reasons for shortfall	–	–
(vi) Details of related party transactions	–	–
(vii) Movement in the previous during the year	0.11	–
Surplus carried forward to the Next year	11.70	1.96

(₹ in Crore)

Nature of CSR activities	31-Mar-22			31-Mar-21		
	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	7.07	0.09	7.17	0.61	–	0.61
Swachh Bharat	0.25	0.01	0.25	0.05	–	0.05
Education/employment vocational skills	1.99	–	1.99	1.27	–	1.27
Administration Expenses, training etc.	0.25	–	0.25	0.00	–	0.00
Other expenses	0.06	0.01	0.07	0.03	–	0.03
Total Expenses (ii)	**9.62**	**0.11**	**9.73**	**1.96**	**–**	**1.96**
Grand Total (i) and (ii)	**9.62**	**0.11**	**9.73**	**1.96**	**–**	**1.96**

*Provisions made for liabilities incurred

(vii) **Movement in the provision during the year:**

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
Opening Balance	–	–
Provided during the year	0.11	–
Paid during the year	–	–
Closing Balance	**0.11**	**–**

Note – 40 : DISCLOSURE ON GOVERNMENT GRANTS

A **Revenue Grants**

1 **Stipend to apprentices under NATS scheme**

The company has received grant of ₹ 0.67 Crore (2021: ₹ 0.09 crore) in respect of stipend paid to apprentices registered under National Apprenticeship Training Scheme (NATS) and the same has been accounted on net basis against training expenses.

2 **EPCG Grant**

Grant recognised in respect of duty waiver on procurement of capital goods under EPCG scheme of Central Government which allows procurement of capital goods including spares for pre production and post production at zero duty subject to an export obligations of 6 times of the duty saved on capital goods procured.The unamortized capital grant amount as on March 31, 2022 is ₹ 8.29 Crore (2021: ₹ 2.29 Crore). The company recognised Nil Crore (2021: ₹ 1.68 Crore) in the statement of profit & loss account as amortisation of revenue grant. The company expects to meet the export obligations in line with the scheme.

Note – 40 : DISCLOSURE ON GOVERNMENT GRANTS (Contd..)

3 Grant in respect of Revenue expenditure for research projects

During the year, the Company has received Nil revenue grant (2021: ₹ 0.09 Crore) in respect of meeting out revenue expenditure such as manpower, consumable etc for research project undertaken with Centre of High Technology under the Ministry of Petroleum & Natural Gas and the same has been reckoned on net basis in expenses.

B Capital Grants

1 Capital Grant in respect of interest subsidy

The Company has received capital grant in the form of interest subsidy on loans taken from OIDB. The unamortized capital grant amount as on March 31, 2022 is ₹ 4.99 crore (2021:₹ 6.66 crore). During the year, the company has recognised ₹ 1.67 crore (2021: ₹ 1.31 crore) in the statement of profit and loss as amortisation of capital grants

Note – 41 : EXPOSURE TO FINANCIAL DERIVATIVES

Financial and Derivative Instruments:

1 All derivative contracts entered into by the Company are for hedging its foreign currency relating to underlying transactions and firm commitments and not for any speculative or trading purposes.

2 The company has no outstanding forward contract as at 31st March 2022(2021 : NIL)

3 Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2022 is given below:

(₹ in Crore)

Sl. No	Particulars	As on 31-Mar-2022 Aggregate amount	As on 31-Mar-2021 Aggregate amount
1	Unhedged- Payables	**5077.78**	2694.40
2	Unhedged- Receivables	**579.02**	148.90

Refer Note - 10A - Offsetting Financial Assets and Financial Liabilities

Note – 42 : REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company is in the business of refining crude oil and it earns revenue primarily from sale of petroleum products and others. Revenue is recognized when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. In determining the transaction price for the sale of products, the company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Generally, Company enters into contract with customers for sale on EX-MI basis. Majority of Company's sales are to Oil Marketing Companies and Downstream industries for which credit period is less than 1 year. Direct sales to other customers are generally on cash and carry basis. Revenue is recognised when the goods are delivered to the customer by adjusting the amounts deposited by customers, if any.

Bifurcation of Total Revenue into Revenue from contract with customers and other sources of revenue as per requirement of Ind AS 115 is given below;

(₹ in Crore)

Particulars	2021-22	2020-21
Total Revenue	**60468.38**	41856.90
Revenue from contract with customers	**60402.02**	41813.95
Revenue from other contracts / from others	**66.36**	42.95

No impairment of losses on receivables has been recognised during the current and previous year.

Note – 43 : RATIOS

(₹ in Crore)

Ratios	31-Mar-22	31-Mar-21	Variation	Reasons for variation (> 25%)
(a) Current Ratio, *[Current Assets/ Current Liabilities]*	**0.72**	0.54	33%	Refer Note (iii)
(b) Debt-Equity Ratio, *[Total Debt/ Equity]*	**3.31**	6.42	49%	Refer Note (i)
(c) Debt Service Coverage Ratio *[Profit after Tax+ Finance Cost+ Depreciation]/ [Finance Costs+ Principal Repayment (Long Term)]*	**2.59**	1.22	113%	Refer Note (i)
(d) Return on Equity Ratio (%) *Profit after Tax/Equity*	**48.11%**	16.68%	189%	Refer Note (i)
(e) Inventory Turnover- in days *[(Average Inventory | Total Income- Profit before Exceptional Item and Tax- Selling and Distribution Expenses in days)]*	**37.47**	30.79	22%	–
(f) Trade Receivables Turnover- in days *[Average Trade Receivable | Sales (Net of Discount) in days] (Net of Excise Duty)*	**1.92**	2.63	27%	Refer note (ii)
(g) Trade payables Turnover- in days *[Average Trade Payable | Sales (Net of Discount) in days] (Net of Excise Duty)*	**21.72**	27.86	22%	–
(h) Net capital Turnover- in days *[(Current Assets- Current Liabilities) | Sales (Net of Discount) in days] (Net of Excise Duty)*	**(27.41)**	(69.79)	61%	Refer note (iii)
(i) Net profit Ratio (%) *[Profit after Tax/ (Revenue from Operations- Excise Duty)]*	**3.11%**	1.05%	196%	Refer Note (i)
(j) Return on Capital Employed (%) *[EBIT/(Equity+Total borrowings)]*	**18.68%**	15.62%	20%	–
(k) Return on investment (%) *[EBIT / Average Total Assets]*	**14.28%**	12.37%	15%	–

Note:

(i) The profitability during the current year is significantly higher than the Previous year, mainly on account of better operating performance and improvement in Product cracks. Higher profitability has contibuted to higher accretion to networth.

(ii) Mainly due to increase in Turnover during the year on account of higher capacity utilistaion. Moreover, the capacity utilisation was adversely impacted during the FY 2020-21, due to Covid Situation.

(iii) Mainly on account of surge in international prices of crude and products.

Note – 44 : OTHER DISCLOSURES

1 The 9 MMTPA refinery project at Cauvery Basin Refinery,Nagapattinam was approved by the Board of Directors of Indianoil Corporation, the holding company in January 2021 for implementation through a Separe Joint Venture. During the year, NITI Aayog has accorded approval for implementation of the project through a separate Joint Venture. Accordingly, pending the incorporation of the Joint Venture, the actual expenditure and the associated liabilities incurred on the project is accounted as asset/ Liability included in disposal group held for Transfer respectively. This group consists of CWIP, Intagible assets under development, advances for capital expenditure and liability for capital expenditure amounting to ₹ 358.86 Crore, ₹ 259.36 Crore, ₹ 0.24 Crore and ₹ 25.06 Crore respectively as at 31st March 2022. The capital commitment as at 31st March 2022 for the group is ₹ 1545.31 Crore in respect of this project.

2 "The Company has refineries at two locations viz., Manali and Nagapattinam (Cauvery Basin Refinery - CBR). The operations of the CBR unit have been stopped from 01.04.2019. Accordingly, the value in use was negative and, the recoverable value of the assets was reviewed and it was estimated that there would not be any recoverable value for the same and impairment loss was recognised.

Some of the Assets to the extent of gross block of ₹ 25.80 crore and accumulated Depreciation of ₹ 3.16 crore in respect of which impairment to the extent of ₹ 22.64 crore was provided, has been dismantled and scrapped during the year. Impairment provision of ₹ 100.02 crore is continued in respect of the balance Assets."

3 Tax expense for the previous year includes ₹ 693.76 crore on exercise of option under said section 115BAA of the Income Tax Act, 1961 to avail the lower rate . Based on receipt of Final Assessment order under Direct Tax Vivad Se Vishwas Act, 2020, tax expense of ₹ 11.35 crore has been reversed during the year.

4 As part of CSR activities, CPCL sponsors polytechnic college, for which twenty acres of land of the company has been leased to the CPCL Educational Trust for a period of 50 years.

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

(b) The company has valid title for all immovable properties. However, in respect of 186.93 acres of land allotted by Government of Tamil Nadu (classified as Poramboke) assignment deed is yet to be received. Out of this, value is to be determined by Government of Tamilnadu in respect of 135.93 acres.

(c) Pending decision of the Government/Court, additional compensation, if any, payable to the landowners and the Government for certain lands acquired, is not quantifiable, and hence not considered.

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

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

8 Other disclosures as required under Schedule III to the Companies Act, 2013

(i) The quarterly statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.

Note – 44 : OTHER DISCLOSURES (Contd..)

(ii) The company has following transactions/balances with companies, struck off under Section 248 of the Companies Act, 2013 /Section 560 of Companies Act, 1956.

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at current period ₹ in Crore	Relationship with the struck off company	Balance outstanding as at previous period ₹ in Crore	Relationship with the struck off company
Skpei engineerng works private limited	Trade payables	0.003	Not a related party	0.003	Not a related party
Arun services private limited	Trade payables	0.005		0.000	
Polycab wires and cables private limited	Trade payables	0.000		0.000	
Alliance aviation private limited	Trade payables	0.000		0.000	
Mcog engineering and fabrication private limited	Trade payables	0.000		0.000	
The national sugar mills ltd	Customer Advances	0.004		0.003	
Sri anjaneya agro tech private limited	Customer Advances	0.000		0.000	
Total		**0.012**		**0.006**	

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

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

per P. Ranga Ramanujam
Partner
Membership No. 022201

Place : Chennai
Date : 27-Apr-2022

for and on behalf of Board of Directors

(Arvind Kumar)
Managing Director
DIN - 09224177

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P.Shankar)
Company Secretary
ACS -7624

Independent Auditors' Report

To

The Members of Chennai Petroleum Corporation Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of CHENNAI PETROLEUM CORPORATION LIMITED (hereinafter referred to as the " Company") and its Jointly controlled entities, NATIONAL AROMATICS AND PETROCHEMICALS CORPORATION LIMITED and INDIAN ADDITIVES LIMITED which comprise the consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss, including Other Comprehensive Income, the consolidated Statement of changes in equity and the consolidated Statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its jointly controlled entities as at March 31, 2022, of consolidated profit including other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

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. We have determined the matters described below to be the key audit matters to be communicated in our report.

KEY AUDIT MATTER 1	HOW IT WAS ADDRESSED DURING AUDIT
Measurement of Inventories (excluding stores and spares)	
a) As at 31st March 2022 the value of Inventory (excluding stores and spares) is ₹ 7242.37 Crores. This constitutes significant percentage of the current assets of the Company. b) The Inventories are initially measured by volume at the natural temperature and various conversion factors are applied to derive the quantitative measure at 15°C. c) c) The closing Inventory of raw materials has different grades having different weighted average price. The closing inventory of finished products comprises several joint products, having different derived cost of production. d) d) Considering the various technical measures applied in determining the quantity and value of the inventories, we believe a higher inherent risk is associated with its measurement, requiring significant judgments and estimates. Hence we considered it as a key audit matter. (Please Refer Note No's. 9 and significant accounting policy No.7.1 and 7.2 in Note No.1A)	a) We have evaluated the appropriateness of the management's tank gauging instructions and procedures adopted for recording the Company's physical inventory measurement. b) We have planned and observed the performance of the management's volume measurement procedures at the year end. c) We have derived by reperformance the quantitative measurement by applying conversion metrics for temperature, density and other factors. This conversion metrics was tested on sample basis independently with an external input. The derived measures were compared with the book quantities. d) In case of raw material we have test checked the correctness of the computation of the weighted average cost . e) In respect of stock in process and finished products, we have verified the correctness of valuation. We have tested the requirement if any for the write down of the inventories to net realisable value of the inventories.

KEY AUDIT MATTER 2	HOW IT WAS ADDRESSED DURING AUDIT
Provisions and Contingent Liabilities	
a) a) The Company has material uncertain positions and other disputes which involves significant judgement to determine possible outcome of these disputes. Contingent liabilities are not recognised in the Financial statements but are only disclosed as information unless possibility of outflow of economic resources is considered remote. b) The assessment of the risks associated with the litigations is based on complex assumptions, which require the use of significant judgement and such judgement relates, primarily, to the assessment of the uncertainties connected to the prediction of the outcome of the proceedings and to the adequacy of the disclosures in the standalone financial statements. Because of the judgement required, the materiality of such litigations and the complexity of the assessment process, the area is a key matter for our audit (Please Refer Note No. 33B and significant accounting policy No.8 in Note No.1A)	Our audit procedures in response to this Key Audit Matter included, among others, a) Assessment of the process and relevant controls implemented to identify legal and tax litigations and pending administrative proceedings. b) Assessment of assumptions used in estimating the possible outcome of such disputed claims/ cases against the company based on records and judicial precedents made available. c) Inspection of the key relevant documentation and inquiry with the legal and tax departments regarding the status of the most significant disputes. d) Analysis of opinion received from the experts wherever available. e) Review of the adequacy of the disclosures in the notes to the standalone financial statements.

Information Other Than the Consolidated Financial Statements and Auditor's Report Thereon

The respective Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis and the Company's Annual Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon, which are expected to be made available to us after the date of this Auditor's Report.

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

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

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

Responsibilities of the Management and Those Charged with Governance for the Consolidated Financial Statements

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

The respective Board of Directors of the Company and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its Jointly controlled entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Company and of its Jointly controlled entities are responsible for assessing the ability of the Company and of its Jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and its Jointly controlled entities are responsible for overseeing the financial reporting process of the Company and its Jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its Jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its Jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company and its jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated financial statements also include the Company's share of net profit of ₹ 15.59 Crores and net other comprehensive income of ₹ 0.26 Crores for the year ended 31st March, 2022, as considered in the consolidated financial statements, in respect of two jointly controlled companies, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled companies, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled companies, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) The company being a Government Company, disqualification of directors stated under Section 164(2) of the Act is not applicable to the Company as per notification no. GSR 463(E) of the Ministry of Corporate Affairs dated 05/06/2015. On the basis of the report of the statutory auditors of the jointly controlled entities none of the directors of the jointly controlled entities are disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

   (g) The Company, being a Government Company, the provisions of section 197 are not applicable to the Company as per the notification of MCA in G.S.R. 463(E) dated 5th June 2015, and therefore the reporting requirement under section 197(16) does not arise. On the basis of the report of the statutory auditors of the jointly controlled companies, the remuneration paid to the directors of such companies during the current year is in accordance with section 197 of the Act.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its jointly controlled entities- Refer Note 33(B) to the consolidated financial statements.

      (ii) The Company and its jointly controlled entities did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its Jointly controlled companies incorporated in India.

      (iv) (a) The respective managements of the company have represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the company and have represented that, to the best of their knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures performed by us that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above contain any material mis-statement.

(v) The company has not declared or paid any dividend during the year. As stated in Note 29 to the financial statement, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of member at the ensuing annual general meeting. The dividend proposed is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and issued by auditors of the jointly controlled entities included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports except as under:

Name	CIN	Holding Company/ Subsidiary/Associate/ Joint venture	Clause number of CARO report which is qualified or adverse
National Aromatics and Petrochemicals Corporation Limited	U11101TN1989PLC017403	Joint venture	Clause 3 (xix) is qualified

For Padmanabhan Ramani & Ramanujam
Chartered Accountants
FRN: 002510S

Place: Chennai
Date: April 27, 2022

P. Ranga Ramanujam
Partner
Membership No: 022201
UDIN: 22022201AHYLDV9356

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under Report on Other Legal and Regulatory Requirements' of our report of even date to the Members of Chennai Petroleum Corporation Limited on the Consolidated financial statements of the Company for the year ended March 31,2022).

Report on the Internal Financial Controls over financial reporting under Clause (i) of Section 143(3) of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting with reference to consolidated financial statements of Chennai Petroleum Corporation Limited ("the Company") and its Jointly controlled entities, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to consolidated financial statements.

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

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated financial statements.

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

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

Other Matters

Our aforesaid reports under section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to consolidated financial statements in so far as it relates to two jointly controlled companies, which are incorporated in India, is based on the corresponding report of the auditor of the companies.

Opinion

In our opinion the Company, and its jointly controlled companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls over financial reporting with reference to consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Padmanabhan Ramani & Ramanujam
Chartered Accountants
FRN: 002510S

Place: Chennai
Date: April 27, 2022

P. Ranga Ramanujam
Partner
Membership No: 022201
UDIN: 22022201AHYLDV9356

Balance Sheet

AS AT 31ST MARCH 2022

(₹ in Crore)

Particulars	Note No.	As at 31-Mar-22	As at 31-Mar-21
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	6924.17	7096.56
(b) Capital work-in-progress	2.1	1209.55	1308.63
(c) Intangible assets	3	42.46	45.61
(d) Intangible assets under development	3.1	–	241.80
(e) Financial Assets			
(i) Investments			
- Equity Investment in Joint Ventures	4	208.44	198.51
- Other Investments	4.1	0.11	0.11
(ii) Loans	5	60.58	53.34
(iii) Other Financial Assets	6	129.51	112.42
(f) Income tax assets (Net)	7	71.45	51.06
(g) Other non-current assets	8	82.73	60.26
		8729.00	**9168.30**
(2) Current assets			
(a) Inventories	9	7532.51	4508.86
(b) Financial Assets			
(i) Trade receivables	10	252.32	199.98
(ii) Cash and cash equivalents	11	8.33	1.15
(iii) Bank balances other than (ii) above	12	3.67	3.68
(iv) Loans	5	10.97	11.27
(v) Other Financial Assets	6	63.14	39.79
(c) Other current assets	8	377.18	292.00
		8248.12	**5056.73**
(3) Assets included in disposal group held for transfer	44.1	618.46	–
TOTAL ASSETS		**17595.58**	**14225.03**
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	13	148.91	148.91
(b) Other Equity	14	2837.82	1462.29
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	2391.55	3004.64
(ia) Lease Liabilities		11.16	13.31
(ii) Other financial liabilities	16	6.60	6.72
(b) Provisions	17	111.47	109.47
(c) Deferred tax liabilities (Net)	7	563.09	103.52
(d) Other non-current liabilities	18	19.04	14.99
		3102.91	**3252.65**
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	6831.15	6143.33
(ia) Lease liabilities		4.47	5.68
(ii) Trade payables	20		
- Total outstanding dues of micro and small enterprises		6.79	9.38
- Total outstanding dues of creditors other than micro and small enterprises		3233.27	1872.60
(iii) Other financial liabilities	16	517.84	626.66
(b) Other current liabilities	18	534.31	656.47
(c) Provisions	17	353.05	47.06
		11480.88	**9361.18**
(3) Liability included in disposal group held for transfer	44.1	25.06	–
TOTAL EQUITY AND LIABILTIES		**17595.58**	**14225.03**
See accompanying notes to the financial statements	1-45		

As per our attached Report of even date

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

for and on behalf of Board of Directors

per P. Ranga Ramanujam
Partner
Membership No. 022201

(Arvind Kumar)
Managing Director
DIN - 09224177

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P.Shankar)
Company Secretary
ACS -7624

Place : Chennai
Date : 27-Apr-2022

Statement of Profit and Loss

FOR THE YEAR ENDED 31ST MARCH 2022

(₹ in Crore)

Particulars	Note No.	For the Year ended 31-Mar-22	For the Year ended 31-Mar-21
I. Revenue from operations	21	60474.29	41899.07
II. Other income	22	17.74	100.97
III. Total Income (I + II)		**60492.03**	**42000.04**
IV. Expenses:			
Cost of materials consumed	23	40045.19	19864.68
Purchase of Stock-in-Trade		47.72	39.94
Changes in Inventories (Finished Goods and Work-In Progress)	24	(1227.29)	(892.11)
Excise Duty		17098.91	19454.31
Employee benefits expense	25	555.26	564.51
Finance costs	26	412.44	375.04
Depreciation and Amortisation expense on:			
a) Tangible Assets	2	500.46	462.50
b) Intangible Assets	3	3.43	3.29
		503.89	**465.79**
Impairment losses / (gain)		(0.37)	1.59
Other expenses	27	1230.62	855.61
Total Expenses (IV)		**58666.37**	**40729.36**
V Profit before Exceptional items and tax (III - IV)		1825.66	1270.68
VI Share of Profit of Joint Ventures		15.59	25.56
VII Exceptional Items		–	–
VIII Profit before tax (V + VI + VII)		**1841.25**	**1296.24**
IX Tax expense:	7		
(1) Current tax		37.27	–
[Includes 37.27 Crore (2021: Nil) relating to prior years]			
(2) Deferred tax		451.95	1038.98
[Includes Nil (2021: ₹ 693.76 Crore) relating to prior years]			
X Profit for the year from continuing operations (VIII - IX)		**1352.03**	**257.26**
XI Profit/(loss) from discontinued operations		–	–
XII Tax expense of discontinued operations		–	–
XIII Profit from Discontinued operations(after tax) (XI - XII)		**–**	**–**
XIV Profit for the year (X + XIII)		**1352.03**	**257.26**
XV Other Comprehensive Income	28		
A. (i) Items that will not be reclassified to profit or loss		31.19	(7.29)
(ii) Income Tax relating to items that will not be reclassified to profit or loss	7	(7.69)	1.96
XVI Total Comprehensive Income for the year (XIV + XV) (Comprising Profit and Other Comprehensive Income for the year)		**1375.53**	**251.93**
XVII Earning per equity share:			
(1) Basic (₹)	30	90.80	17.28
(2) Diluted (₹)		90.80	17.28
See accompanying notes to the financial statements	1-45		

As per our attached Report of even date

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

for and on behalf of Board of Directors

per P. Ranga Ramanujam
Partner
Membership No. 022201

(Arvind Kumar)
Managing Director
DIN - 09224177

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P.Shankar)
Company Secretary
ACS -7624

Place : Chennai
Date : 27-Apr-2022

Statement of Changes in Equity

for the year ended March 31, 2022

(a) Equity Share Capital

(₹ in Crore)

Particulars	No of Equity shares of ₹ 10 each issued, subscribed and fully paid	Subscribed, called-up and paid-up share capital	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of reporting period	Changes in equity capital during the year	Total paid-up equity share capital balance at the end of the reporting period
At 31 March 2021	148911400	148.91	–	148.91	–	148.91
At 31 March 2022	**148911400**	**148.91**	**–**	**148.91**	**–**	**148.91**

(b) Other equity

(₹ in Crore)

Particulars	Reserve and Surplus					Total
	Securities Premium	Capital Redemption reserve	Capital reserve	Retained earnings	General reserve	
At 01 April 2020	250.04	600.00	0.09	(3179.05)	3539.28	1210.36
Changes in accounting policy or prior period errors	–	–	–	–	–	–
Restated balance at 01 April 2020	250.04	600.00	0.09	(3179.05)	3,539.28	1210.36
Profit for the Year	–	–	–	257.26	–	257.26
Other comprehensive income Remeasurement of gain or loss on defined benefit plan	–	–	–	–	(5.33)	(5.33)
Total comprehensive income	**–**	**–**	**–**	**257.26**	**(5.33)**	**251.93**
Transfer to Retained Earnings	–	–	–	–	–	–
Transfer to Bond Redemption Reserve	–	–	–	–	–	–
Dividend	–	–	–	–	–	–
At 31 March 2021	**250.04**	**600.00**	**0.09**	**(2921.79)**	**3533.95**	**1462.29**

(₹ in Crore)

Particulars	Reserve and Surplus					Total
	Securities Premium	Capital Redemption reserve	Capital reserve	Retained earnings	General reserve	
At 01 April 2021	**250.04**	**600.00**	**0.09**	**(2921.79)**	**3533.95**	**1462.29**
Changes in accounting policy or prior period errors	–	–	–	–	–	–
Restated balance at 01 April 2021	**250.04**	**600.00**	**0.09**	**(2921.79)**	**3533.95**	**1462.29**
Profit for the Year	–	–	–	1352.03	–	1352.03
Other comprehensive income Remeasurement of gain or loss on defined benefit plan	–	–	–	–	23.50	23.50
Total comprehensive income	**–**	**–**	**–**	**1352.03**	**23.50**	**1375.53**
Transfer to Retained Earnings	–	–	–	–	–	–
Transfer to Capital Redemption Reserve	–	100.00	–	(100.00)	–	–
Dividend	–	–	–	–	–	–
At 31 March 2022	**250.04**	**700.00**	**0.09**	**(1669.76)**	**3557.45**	**2837.82**

As per our attached Report of even date

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

for and on behalf of Board of Directors

per P. Ranga Ramanujam
Partner
Membership No. 022201

(Arvind Kumar)
Managing Director
DIN - 09224177

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P.Shankar)
Company Secretary
ACS -7624

Place : Chennai
Date : 27-Apr-2022

Statement of Cash Flows

for the year ended March 31, 2022

(₹ in Crore)

	Particulars	For the Year ended 31-Mar-22	For the Year ended 31-Mar-21
A	**Cash Flow from Operating Activities**		
1	**Profit Before Tax**	**1841.25**	**1296.25**
2	**Adjustments for :**		
	Depreciation of property, plant and equipment	500.46	462.50
	Impairment losses / (gain)	(0.37)	1.59
	Unclaimed / Unspent liabilities written back	–	(0.11)
	Loss/(gain) on disposal of property, plant and equipments (net)	12.10	51.34
	Amortisation on intangible assets	3.43	3.29
	Amortisation of Government Grants	(1.67)	(1.31)
	Net Exchange Differences	8.42	(4.98)
	Provision for Capital work-in-progress / Doubtful Debts written back	–	(1.10)
	Provision for Doubtful Debts, Advances and Claims	–	0.29
	Remeasurement of Defined Benefit Plans thru OCI	30.85	(7.21)
	Provision for Stores (net)	2.78	0.76
	Finance income	(17.73)	(14.40)
	Finance costs	404.02	375.04
	Share of Joint Ventures	(15.59)	(25.56)
3	**Operating Profit before Working Capital Changes (1+2)**	**2767.95**	**2136.39**
4	**Change in Working Capital:**		
	(Excluding Cash & Cash equivalents)		
	Trade Receivables & Other receivables	(207.34)	(90.74)
	Inventories	(3026.43)	(2148.85)
	Trade and Other Payables	1241.36	300.84
	Provisions	270.72	256.24
	Change in Working Capital	**(1721.69)**	**(1682.51)**
5	**Cash Generated From Operations (3+4)**	**1046.26**	**453.88**
6	**Less : Taxes paid**	**20.39**	**(1.62)**
7	**Net Cash Flow from Operating Activities (5-6)**	**1025.87**	**452.26**
B	**Cash Flow from Investing Activities:**		
	Proceeds from sale of Property, plant and equipment / Transfer of Assets	0.17	0.60
	Purchase of Property, plant and equipment	(699.67)	(568.87)
	Interest received (Finance Income)	17.73	14.40
	Dividend Income	5.92	5.92
	Net Cash Generated/(Used) in Investing Activities:	**(675.85)**	**(547.95)**
C	**Net Cash Flow From Financing Activities:**		
	Proceeds from Long-Term Borrowings	775.00	1010.00
	Repayments of Long-Term Borrowings (Including lease liability)	(468.01)	(518.79)
	Proceeds from/(Repayments of) Short-Term Borrowings	(313.17)	(81.99)
	Interest paid	(336.66)	(312.42)
	Net Cash Generated/(Used) from Financing Activities:	**(342.84)**	**96.80**

Statement of Cash Flows

for the year ended March 31, 2022

(₹ in Crore)

Particulars	For the Year ended 31-Mar-22	For the Year ended 31-Mar-21
D Net Change in Cash & cash equivalents (A+B+C)	**7.18**	**1.11**
E-1 Cash & cash equivalents as at end of the year	8.33	1.15
E-2 Cash & cash equivalents as at beginning of the year	1.15	0.05
NET CHANGE IN CASH & CASH EQUIVALENTS (E 1- E 2)	**7.18**	**1.10**

Notes:

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

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

(₹ in Crore)

Financial Liabilities	As at 31.03.2020	Cash Flow	Non-cash Changes			As at 31.03.2021
			Lease Liability	Interest Accrued but not due	Foreign exchange movement	
Borrowings (Including lease liabilities)	8698.04	409.22	11.31	61.14	(12.75)	9166.96

(₹ in Crore)

Financial Liabilities	As at 31.03.2021	Cash Flow	Non-cash Changes			As at 31.03.2022
			Lease Liability	Interest Accrued but not due	Foreign exchange movement	
Borrowings (Including lease liabilities)	9166.96	1.41	4.00	65.96	–	9238.33

As per our attached Report of even date

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

for and on behalf of Board of Directors

per P. Ranga Ramanujam
Partner
Membership No. 022201

(Arvind Kumar)
Managing Director
DIN - 09224177

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P.Shankar)
Company Secretary
ACS -7624

Place : Chennai
Date : 27-Apr-2022

Note-1A Corporate Information and Significant Accounting Policies

I. Corporate Information

The consolidated financial statements of "Chennai Petroleum Corporation Limited" ("the Group" or "CPCL") are for the year ended 31st March, 2022.

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 Bombay Stock exchange and National Stock Exchange in India. The registered office of the Company is located at 536, Anna Salai, Teynampet, Chennai- 600018. (CIN – L40101TN1965GOI005389)

CPCL together with its joint ventures and associates is hereinafter referred to as Group.

The Group is in the business of refining crude oil to produce & supply various petroleum products, manufacture and sale of lubricating oil additives.

Information on related party relationships of the Company is provided in Note-34.

The consolidated financial statements have been approved for issue in accordance with a resolution of the Board of directors on 27th April, 2022.

II. Significant Accounting Policies

1. BASIS OF PREPARATION / CONSOLIDATION

1.1. The financial statements have been prepared in accordance with the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules and other relevant provisions of the Act and Rules thereunder, as amended from time to time.

The consolidated financial statements have been prepared on historical cost convention, accrual and going concern basis except where Ind AS requires a different accounting treatment like fair value / amortized cost / present value / Realizable value. These accounting policies have been applied consistently over all periods presented in these financial statements

The consolidated financial statements are presented in Indian Rupees (INR) which is Group's presentation and functional currency and all values are rounded to the nearest Crore (up to two decimals) except when otherwise indicated.

1.2. BASIS OF CONSOLIDATION

1.2.1. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the entities.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity then discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

1.2.2. Interest in Joint operations

For the interest in joint operations, the Group recognises:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Share of the revenue from the sale of the output by the joint operation
- Expenses, including its share of any expenses incurred jointly

2. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

2.1. Property, Plant and Equipment (PPE)

2.1.1. Property, Plant & Equipment (PPE) comprises of tangible assets and Capital Work in progress. PPE are stated at cost, net of tax credit availed and after reducing accumulated depreciation and accumulated impairment losses, if any. (except freehold lands which are carried at historical cost). The cost of an item of PPE comprises its purchase price, construction cost, including applicable taxes (net of credits) after deducting any discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located. These costs are capitalized until the asset is ready for use and includes borrowing cost capitalized in accordance with the Group's accounting policy.

2.1.2. The cost of an item of PPE is recognized as an asset if, and only if:

(i) it is probable that future economic benefits associated with the item will flow to the entity; and

(ii) the cost of the item can be measured reliably.

2.1.3. Technical know-how / license fee relating to plants/ facilities and specific software that are integral part of the related hardware are capitalised as part of cost of the underlying asset.

2.1.4. Spare parts are capitalized when they meet the definition of PPE, i.e., when the Group intends to use these for a period exceeding 12 months.

2.1.5. The acquisition of some items of PPE although not, directly increasing the future economic benefits of any particular existing item of PPE, may be necessary for the Group to obtain the future economic benefits from its other assets. Such items of PPE, are recognized as assets.

2.1.6. On transition to Ind AS, the Group has elected to continue with the carrying value of all of its PPE recognised as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the PPE.

2.2. Capital Work in Progress (CWIP)

A. Construction Period Expenses:

2.2.1. Revenue expenses exclusively attributable to projects incurred during construction period are capitalized. However, such expenses in respect of capital facilities being executed along with the production/operations simultaneously and where the expenses are not attributable exclusively are charged to revenue.

2.2.2. Borrowing 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. Borrowing 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 & Amortisation

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 month in which such software / licenses are capitalised. However, where such computer software / license is under development or is not yet ready for use, accumulated cost incurred on such items are accounted as "Intangible Assets Under Development".

2.3.4. Right of ways with indefinite useful lives are not amortised, but tested for impairment annually at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2.3.5. Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

2.3.6. The useful lives of Intangible Assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful life on straight line basis and assessed for impairment whenever there is an indication that the Intangible Asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on Intangible Assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.

2.3.7. On transition to Ind AS, the Group has elected to continue with the carrying value of all of its Intangible Assets recognized as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

2.3.8. Amortization is charged pro-rata on monthly basis on assets, from/upto the month of capitalization/ sale, disposal/ or earmarked for disposal.

2.4. Depreciation

2.4.1. Cost of PPE (net of residual value) excluding freehold land is depreciated on straight-line method as per the useful life prescribed in Schedule II to the Act, except in case of the following assets:

a) Useful life of 25 years for solar power plant considered based on technical assessment

b) In case of specific agreements e.g. enabling assets etc., useful life as per agreement or Schedule II, whichever is lower

c) In case of immovable assets constructed on leasehold land, useful life as per Schedule-II to the Act or lease period of land (including renewable period/ likely renewable period), whichever is lower

d) In other cases like Spare Parts etc., useful life is considered based on the technical assessment

Depreciation is charged pro-rata on monthly basis on assets, from / upto the month of capitalization / sale, disposal / or earmarked for disposal. Residual value is generally considered between 0 to 5% of cost of assets. Further, in case of catalyst with noble metal content, residual value is considered based on the cost of metal content.

The Group depreciates components of the main asset that are significant in value and have different useful lives as compared to the main asset separately. The Group depreciates spares over the life of the spare from the date it is available for use.

2.4.2. PPE, costing upto 5,000/- per item are depreciated fully in the year of capitalization. Further, spares, components like catalyst excluding noble metal content and major overhaul/inspection are also depreciated fully over their respective useful life.

2.4.3. The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.5. Derecognition

2.5.1. PPE and Intangible Assets are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE or Intangible Asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

3. LEASES

3.1. The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.1.1. Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, except for leases where the Group has elected to use practical expedient not to separate non-lease payments from the calculation of the lease liability and ROU asset where the entire consideration is treated as lease component.

3.1.2. Right-of-use Assets

The Group recognises right-of-use (ROU) assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of use assets are subject to impairment. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset as per 2.4 above.

3.1.3. Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a re-measurement of the lease liability with a corresponding adjustment to the ROU asset. Any gain or loss on modification is recognized in the Statement of Profit and Loss. However, the modifications that increase the scope of the lease by adding the right to use one or more underlying assets at a price commensurate with the stand-alone selling price are accounted for as a separate new lease. In case of lease modifications, discounting rates used for measurement of lease liability and ROU assets is also suitably adjusted.

3.1.4. **Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of Property, Plant and Equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

3.2. Leases as Lessor (assets given on lease)

3.2.1. When the Group acts as lessor, it determines at the commencement whether it is a finance lease or an operating lease.

3.2.2. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern of the benefit derived from the asset given on lease.

3.2.3. All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Principal component of the lease receipts is adjusted against outstanding receivables and interest income is accounted by applying the interest rate implicit in the lease to the net investment. If an arrangement contains lease and non-lease components, the Group applies principles enunciated in Ind AS 115 "Revenue from Contracts with Customers", to allocate the consideration in the contract.

3.2.4. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Group applies the short term lease exemption described above, then it classifies the sub-lease as an operating lease.

4. IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less cost of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 15 years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifteenth year. To estimate cash flow projections beyond periods covered by the most recent budgets / forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

5. BORROWING COSTS

Borrowing cost consists of interest and other cost incurred in connection with the borrowing of funds. Borrowing costs that are attributable to the acquisition or construction of the qualifying asset are capitalized as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Capitalisation of borrowing costs is suspended when active development activity on the qualifying assets is interrupted other than on temporary basis and charged to the Statement of Profit and Loss during such extended periods. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which the same are incurred.

6. FOREIGN CURRENCY TRANSACTIONS

6.1. The Group's financial statements are presented in Indian Rupee (₹), which is also it's functional currency.

6.2. Transactions in foreign currency are initially recorded at spot exchange rates prevailing on the date of transactions.

6.3. Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the end of reporting period, are translated at exchange rates prevailing on that date.

6.4. Non-monetary items denominated in foreign currency, (such as PPE, intangible assets, investments, capital / revenue advances other than expected to be settled in cash etc.) are recorded at the exchange rate prevailing on the date of the transaction, other than those measured at fair value.

6.5. Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit and Loss either under the head foreign exchange fluctuation or interest cost, as the case may be.

7. INVENTORIES

7.1. Raw Materials & Stock-in-Process

7.1.1. Raw materials including crude oil are valued at cost determined on weighted average basis or net realizable value, whichever is lower.

7.1.2. Stock in Process is valued at raw materials cost plus fifty percent conversion costs as applicable or net realizable value, whichever is lower.

7.1.3. Crude oil in Transit is valued at cost or net realizable value, whichever is lower.

7.1.4. Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

7.2. Finished Products and Stock-in-Trade

7.2.1. Finished Products and Stock in Trade are valued at cost determined on 'First in First Out' basis or net realizable value, whichever is lower. Cost of Finished Products produced is determined based on raw materials cost and processing cost.

7.2.2. Imported products in transit are valued at cost or net realisable value whichever is lower.

7.3. Stores and Spares

7.3.1. Stores and Spares are valued at weighted average cost.

7.3.2. In case of declared surplus/obsolete stores and spares, provision is made for likely loss on sale/disposal and charged to revenue. Further, provision is made to the extent of 97 per cent of the value of non-moving inventory of stores and spares (excluding maintenance, repair & operation items, pumps and compressors) which have not moved for more than six years. Stores and spares in transit are valued at cost.

7.3.3. Spent catalysts (including noble metal content thereof) are valued at lower of the weighted average cost or net realizable value.

8. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

8.1. Provisions

8.1.1. Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

8.1.2. When the Group expects some or all of a provision to be recovered from a third party, a receivable is recognised as a separate asset, but only when it is virtually certain and amount of the receivable can be measured reliably. The expense relating to a provision is presented in the Statement of Profit and Loss net of reimbursement, if any.

8.1.3. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. 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 generally not considered as obligations.

8.2.2. When the demand notices are raised against such show cause notices and are disputed by the Group, these are classified as disputed obligations.

8.2.3. The treatment in respect of disputed obligations are as under:

a) a provision is recognized in respect of present obligations where the outflow of resources is probable as per 8.1.1 above;

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

8.2.4. Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts and reviewed at each Balance Sheet date to reflect the current management estimate.

8.2.5. Estimated amount of contracts remaining to be executed towards capital expenditure are considered for disclosure.

8.2.6. A contingent asset is disclosed where an inflow of economic benefits is probable.

9. REVENUE

REVENUE FROM CONTRACTS WITH CUSTOMERS

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, non-cash consideration and consideration payable to the customer (if any).

9.2. Revenue from the sale of petroleum products, petrochemical products, Crude and gas are recognised at a point in time, generally upon delivery of the products.

9.3. The recovery of excise duty flows to the Group on its own account. 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/ Goods and Services Tax (GST) and Value Added Tax (VAT) is not received by the Group on its own account. Rather, it is tax collected on value added to the product by the seller on behalf of the government. Accordingly, it is excluded from revenue.

9.4. Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

9.5. Interest income from financial assets is recognised using effective interest rate (EIR) method.

9.6. Dividend income is recognized when the Group's right to receive dividend is established.

9.7. Claims (including interest on outstanding claims) are recognized at cost when there is reasonable certainty regarding its ultimate collection. Insurance claims are recognised based on acceptance.

9.8. Claims on Petroleum Planning and Analysis Cell (Formerly known as Oil Coordination Committee) / Government arising on account of erstwhile Administered Pricing Mechanism / notified schemes are booked on acceptance in principle thereof. Such claims and provisions are booked on the basis of available instructions /clarifications subject to final adjustment as per separate audit.

10. EXCISE DUTY

Excise duty is accounted on the basis of both, payments made in respect of goods cleared as also provision made for goods lying in stock. Value of stock includes excise duty payable / paid on finished goods wherever applicable.

11. TAXES ON INCOME

11.1. Current Income Tax

Provision for current tax is made as per the provisions of the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

11.2. Deferred Tax

11.2.1. Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

11.2.2. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

11.2.3. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

11.2.4. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

12. EMPLOYEE BENEFITS

12.1. Short Term Benefits

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

12.2. Post-Employment Benefits and Other Long Term Employee Benefits

a) The Group's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to the Statement of Profit and Loss/CWIP. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, is made good by the Group and charged to the Statement of Profit and Loss/CWIP.

b) The Group operates defined benefit plans for Gratuity and Post Retirement Medical Benefits. The cost of providing such defined benefits is determined using the projected unit credit method of actuarial valuation made at the end of the year. Out of these plans, Gratuity is administered through a trust.

c) Obligations on other long term employee benefits viz. leave encashment and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year. Out of these obligations, leave encashment obligations are funded through qualifying insurance policies made with insurance companies / corporation.

d) The Group also operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate Trust.

12.3. Termination Benefits

Payments made under Voluntary Retirement Scheme are charged to the Statement of Profit and Loss on incurrence.

12.4. Remeasurements

Remeasurements, comprising of actuarial gains and losses, the effect of the changes in asset ceiling, (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which it occurs. Remeasurements are not reclassified to profit or loss in subsequent periods. Remeasurements in respect of other long-term benefits are recognised in the Statement of Profit and Loss.

Past service cost is recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service cost comprising current service cost, past-service cost, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

13. GRANTS

13.1. Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

13.2. Grant relating to Assets (Capital Grants)

In case of grants relating to depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Deferred income which are recognized as "Other Operating Revenues" usually in the Statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

13.3. Grant related to Income (Revenue Grants)

Revenue grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises as expenses the related cost for which the grants are intended to compensate.

The Group has treated waiver of duty under EPCG Scheme as revenue grant as the condition of meeting the export obligations is a primary condition of availing the grant as per the EPCG Scheme. The above grant is set up by recording the assets at gross value and corresponding grant amount as deferred income. Such grant is recognised in "Other Operating Revenues" in proportion of export obligations actually fulfilled during the accounting period.

Revenue grants are generally recorded under "Other Operating Revenues" except some grants, which are netted off with the related expense.

13.4. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate or NIL interest rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities. Classification of the grant is made considering the terms and condition of the grant i.e. whether grants relates to assets or otherwise.

14. CURRENT VERSUS NON-CURRENT CLASSIFICATION

14.1. The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

14.2. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or Cash Equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

14.3. A liability is treated as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

15. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

15.1. Financial Assets

Initial recognition and measurement

All Financial Assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the Financial Asset. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Subsequent measurement

For the purpose 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 cost that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables

15.1.2. Debt Instrument at FVTOCI

A 'Debt Instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent solely payments of principal and interest (SPPI).

Debt Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair Value movements are recognized in the Other Comprehensive Income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the Equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI Debt Instrument is reported as interest income using the EIR method.

15.1.3 Equity Instrument

All equity investments in scope of Ind AS 109 are measured at fair value. The Group has made an irrevocable election to present subsequent changes in the fair value in Other Comprehensive Income. The classification is made on initial recognition/transition and is irrevocable.

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

15.1.4 Debt Instruments and Derivatives at FVTPL

FVTPL is a residual category for Debt Instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Debt Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Interest income on such instruments has been presented under interest income

15.1.5. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

15.1.6. Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial Assets that are Debt Instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial guarantee contracts which are not subsequently measured as at FVTPL

c) Lease Receivables under Ind AS 116

Simplified Approach

The Group follows 'simplified approach' for recognition of impairment loss allowance, if any, on Trade Receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

General Approach

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Group estimates provision on trade receivables at the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense /income in the Statement of Profit and Loss. The Balance Sheet presentation for various financial instruments is described below:

- **Financial Assets measured as at amortised cost:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- **Debt instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as accumulated impairment amount' in the OCI.

15.2. Financial Liabilities

15.2.1. Initial recognition and measurement

Financial Liabilities are classified, at initial recognition, as financial Liabilities at fair value through profit or loss and financial liabilities at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of liabilities subsequently measured at amortised cost, they are measured net of directly attributable transaction cost. In case of Financial Liabilities measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of financial liabilities are recognised immediately in the Statement of Profit and Loss.

The Group's financial liabilities include trade and other payables and loans and borrowings including derivative financial instruments.

15.2.2. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

A. Financial Liabilities at fair value through profit or loss

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through the Statement of Profit and Loss. Financial Liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss

B. Financial Liabilities at amortized cost

Financial Liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

15.2.3. Derecognition

A Financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

15.3. Embedded Derivatives

If the hybrid contract contains a host that is a Financial Asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

15.4. Offsetting of Financial Instruments

Financial Assets and financial Liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

15.5. Derivative Instrument Initial recognition / subsequent measurement

15.5.1. The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The accounting for subsequent changes in fair value of derivatives depends on the designation or non-designation of derivative as hedging instruments. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

15.5.2. **Derivative that are designated as hedge instrument**

The Group undertakes foreign exchange forward contracts for hedging foreign currency risk of recognized foreign currency loans and liabilities. The Group generally designates the whole forward contract as hedging instrument. These hedges are accounted for as cash flow hedges. These hedging instruments are as per the policies approved by the Board of Directors.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that the hedge is actually have been highly effective throughout the financial reporting periods for which it was designated.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in Other Comprehensive Income and accumulated under the heading Cash Flow Hedge Reserve within Equity. The gain or loss relating to the ineffective potion is recognized immediately in the Statement of Profit and Loss and included in the Other Income or Other Expenses as Gain on Derivatives or Loss on Derivatives respectively.

Amounts previously recognized in OCI and accumulated in equity relating to effective portion are reclassified to Statement of Profit and Loss in the periods when the hedged item affects profit or loss, in the same line item as the recognized hedged item or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting.

15.5.3. **Derivatives that are not designated as hedge instrument**

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through the Statement of Profit and Loss and are included in the Other Income or Other Expenses as Gain on Derivatives or Loss on Derivatives respectively.

15.6. Commodity contracts

Commodity contracts that, are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

16. FAIR VALUE MEASUREMENT

16.1. The Group measures financial instruments, such as, derivatives at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

16.2. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

16.3. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

16.4. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

16.5. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

16.6. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

In case of Level 3 valuations, external valuers are also involved in some cases for valuation of assets and liabilities, such as unquoted financial assets, loans to related parties etc.,

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

17. EARNINGS PER SHARE

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The Group did not have any potentially dilutive securities in the years presented.

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

19. CASH FLOW STATEMENT

Cash flow statement are reported using the Indirect method, whereby net profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

III. New Standards / amendments and other changes effective April 1, 2021

Amendments to IND – AS have been notified by way of (Indian Accounting Standards) Amendment Rules, 2021 vide MCA notification dated 18th June 2021.

The amendments to IND-AS are clarificatory in nature including disclosures, practical expedients etc. These amendments do not have a material impact on the Group

IV. STANDARDS ISSUED BUT NOT YET EFFECTIVE

On March 23, 2022, Ministry of Corporate Affairs amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable effective from annual periods beginning on or after April 1, 2022. The Group has assessed the impact of these amendments and is not expected to have any material impact on the Group.

Note – 1B : SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. These include recognition and measurement of financial instruments, estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, estimated quantities of noble metals, measurement of employee benefits, actuarial assumptions, provisions etc.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

JUDGEMENTS

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractual, 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 44.2

Note – 2 : PROPERTY, PLANT AND EQUIPMENT

Current Year:

(₹ in Crore)

	Particulars	Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant and Equipment	Office Equipments	Transport Equipments	Furniture and Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	ROU assets	Total
		Note: A							Note: C			Note: B
GROSS BLOCK	Gross Block as at 1st April 2021	49.08	5.92	204.52	9040.55	43.30	10.43	7.11	–	20.31	26.63	**9407.85**
	Additions during the Year (Note: E)	–	–	0.14	349.21	7.16	0.13	0.84	–	–	2.61	**360.09**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications/Revaluation (Note : D)	–	–	(3.36)	(124.40)	(4.64)	–	(0.96)	–	–	–	**(133.36)**
	Gross Block as at 31st March 2022	**49.08**	**5.92**	**201.30**	**9265.36**	**45.82**	**10.56**	**6.99**	**–**	**20.31**	**29.24**	**9634.58**
DEPRECIATION, AMORTISATION AND IMPAIRMENT	Depreciation and Amortisation as at 1st April 2021	–	0.42	37.19	2,103.89	24.73	3.58	3.28	–	6.17	9.48	**2188.74**
	Depreciation and Amortisation during the Year:	–	0.07	6.03	478.99	6.91	0.95	0.62	–	0.91	6.27	**500.75**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications/Revaluation (Note : D)	–	–	(0.51)	(74.52)	(3.37)	–	(0.43)	–	–	–	**(78.83)**
	"Total Depreciation and Amortisation upto 31st March 2022"	**–**	**0.49**	**42.71**	**2508.36**	**28.27**	**4.53**	**3.47**	**–**	**7.08**	**15.75**	**2610.66**
	Total Impairment Loss as at 1st April 2021	–	–	19.01	103.27	–	–	–	–	0.27	–	**122.55**
	Impairment Loss during the Year (Note: D)	–	–	(2.85)	(19.95)	–	–	–	–	–	–	**(22.80)**
	Impairment loss reversed during the Year	–	–	–	–	–	–	–	–	–	–	**–**
	Total Impairment Loss upto **31st March 2022**	**–**	**–**	**16.16**	**83.32**	**–**	**–**	**–**	**–**	**0.27**	**–**	**99.75**
NET BLOCK	**AS AT 31st March 2022**	**49.08**	**5.43**	**142.43**	**6673.68**	**17.55**	**6.03**	**3.52**	**–**	**12.96**	**13.49**	**6924.17**
	AS AT 31st March 2021	49.08	5.50	148.32	6833.39	18.57	6.85	3.83	–	13.87	17.15	**7096.56**

Note – 2 : PROPERTY, PLANT AND EQUIPMENT

Previous Year:

(₹ in Crore)

	Particulars	Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant and Equipment	Office Equipments	Transport Equipments	Furniture and Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	ROU assets	Total
GROSS BLOCK	Gross Block as at 1st April 2020	48.95	5.92	179.37	8560.49	38.09	11.90	7.10	–	20.31	16.80	**8888.93**
	Additions during the Year (Note : E)	0.13	–	17.45	567.02	6.89	–	0.87	–	–	9.83	**602.19**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications/Revaluation	–	–	7.70	(86.96)	(1.68)	(1.47)	(0.86)	–	–	–	**(83.27)**
	Gross Block as at 31st March 2021	**49.08**	**5.92**	**204.52**	**9040.55**	**43.30**	**10.43**	**7.11**	**–**	**20.31**	**26.63**	**9407.85**
DEPRECIATION, AMORTISATION AND IMPAIRMENT	Depreciation and Amortisation as at 1st April 2020	–	0.35	30.27	1,691.03	20.86	2.88	3.14	–	5.20	3.84	**1757.57**
	Depreciation and Amortisation during the Year:	–	0.07	6.55	440.00	7.10	1.45	0.72	–	0.97	5.64	**462.50**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications/Revaluation	–	–	0.37	(27.14)	(3.23)	(0.75)	(0.58)	–	–	–	**(31.33)**
	Total Depreciation and Amortisation upto 31st March 2021	**–**	**0.42**	**37.19**	**2103.89**	**24.73**	**3.58**	**3.28**	**–**	**6.17**	**9.48**	**2188.74**
	Total Impairment Loss as at 1st April 2020	–	–	19.01	99.57	–	–	–	–	0.27	–	**118.85**
	Impairment Loss during the Year (Note: D)	–	–	–	3.70	–	–	–	–	–	–	**3.70**
	Impairment loss reversed during the Year	–	–	–	–	–	–	–	–	–	–	**–**
	Total Impairment Loss upto **31st March 2021**	**–**	**–**	**19.01**	**103.27**	**–**	**–**	**–**	**–**	**0.27**	**–**	**122.55**
NET BLOCK	**AS AT 31st March 2021**	**49.08**	**5.50**	**148.32**	**6833.39**	**18.57**	**6.85**	**3.83**	**–**	**13.87**	**17.15**	**7096.56**
	AS AT 31st March 2020	48.95	5.57	130.09	6769.89	17.23	9.02	3.96	–	14.84	12.96	**7012.51**

Note – 2 : PROPERTY, PLANT AND EQUIPMENT (Contd..)

Notes :

A. Gross block of Land includes ₹ 0.18 Crore deposited towards 50.93 acres of Land for which assignment deed is yet to be received from Govt. of TamilNadu.

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

C. Represents 5/24 share of total cost of the Railway Siding jointly owned by the Company along with Madras Fertilizers Limited, Madras Petrochem Limited, Steel Authority of India Limited and Rashtriya Ispat Nigam Limited. Net block of Railway Sidings - ₹ 0.003 Crore (2021 : ₹ 0.003 Crore)

D. Pertains to Cauvery Basin Refinery (refer Note 44.2)

E. Additions to Gross Block includes :

(₹ in Crore)

Asset Particulars	Borrowing Cost	
	31-Mar-22	31-Mar-21
Plant and Equipment	1.04	26.00
Total	**1.04**	**26.00**

Details of assets given on lease included in the above:

(₹ in Crore)

Asset Particulars	Gross Block as at 1st April 2021	Accumulated Depreciation & Amortisation	Accumulated Impairment loss	W.D.V as at March 31,2022	W.D.V as at March 31,2021
Land	5.32	–	–	**5.32**	5.32
Buildings	0.40	0.05	0.17	**0.18**	0.18
Plant and Equipment	4.27	1.36	–	**2.91**	2.83
Total	**9.99**	**1.41**	**0.17**	**8.41**	**8.33**

Note – 2.1 : CAPITAL WORK-IN-PROGRESS

(₹ in Crore)

Sl. No	Particulars	Note	31-Mar-22		31-Mar-21
1	Construction Work in Progress - Property, Plant & Equipment (Including unallocated capital expenditure, materials at site)				
	Balance as at beginning of the year		1082.75		1243.25
	Add: Additions during the year		363.25		354.72
	Less: Allocated / Adjusted during the year		139.57		515.22
	Less: Transfer to disposal group held for transfer	A	253.82		–
			1052.61		1082.75
	Less: Provision for Capital Losses		1.51		1.51
	Less: Impairment Loss	B	–		0.22
				1051.10	1081.02
2	Capital stores balance as at beginning of the year		33.12		10.30
	Add: Additions during the year		18.73		71.56
	Less: Allocated / Adjusted during the year		39.18		48.74
			12.67		33.12
	Less: Provision for Capital Losses		3.30		3.30
	Capital stores			**9.37**	29.82
3	Capital Goods in Transit			**0.21**	36.72
4	Construction Period Expenses pending allocation:				
	Balance as at beginning of the year		161.07		120.73
	Net expenditure during the year (Note -"2.2")		107.39		81.96
			268.46		202.69
	Less: Allocated / Adjusted during the year		14.56		41.62
	Less: Transfer to disposal group held for transfer	A	105.03		–
				148.87	161.07
	TOTAL	C		**1209.55**	1308.63

Note – 2.1 : CAPITAL WORK-IN-PROGRESS (Contd..)

Notes :

A Refer Note - 44.1

B Pertains to Cauvery Basin Refinery (refer Note 44.2)

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

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

(₹ in Crore)

	Particulars	31-Mar-22	31-Mar-21
1	Employee Benefit expenses	38.84	24.94
2	Power & Fuel	1.10	0.65
3	Finance Cost	51.40	47.04
4	Others (incl. CER expenses)	16.05	9.33
	Net Expenditure during the year	**107.39**	81.96
	Specific borrowings eligible for capitalisation (Rate in %)	5.44% to 6.43%	5.68% to 7.85%

Current Year :

(₹ in Crore)

Capital Work-In-Progress	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	161.45	291.62	506.28	250.20	1209.55

Previous Year :

(₹ in Crore)

Capital Work-In-Progress	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	448.82	569.92	172.78	117.11	1308.63

Note: No Project activity is under suspension

Capital-work-in progress, whose completion is overdue compared to its original plan

Current Year :

(₹ in Crore)

CWIP	To be completed in			
	Less than1 year	1-2 years	2-3 years	More than 3 years
BS VI PROJECTS	921.45	–	–	–
RESID - COKE HANDLING SYSTEM	223.41	–	–	–
COOLING TOWER	42.90	–	–	–
Others	10.58	–	–	–
Total	1198.34	–	–	–

Previous Year :

(₹ in Crore)

CWIP	To be completed in			
	Less than1 year	1-2 years	2-3 years	More than 3 years
BS VI PROJECTS	–	804.63	–	–
GASIFIED LIQUEFIED NATURAL GAS (RLNG)	96.67	–	–	–
RESID - COKE HANDLING SYSTEM	–	206.37	–	–
COOLING TOWER	–	39.04	–	–
OTHERS	9.19	0.01	–	–
Total	105.86	1050.05	–	–

Note: No cost overdue in above projects

Note – 3 : INTANGIBLE ASSETS

(1) Intangible assets with definite useful life

Current Year:

(₹ in Crore)

	Particulars	Computer Software	Technical Know-How, Royalty and Licenses	Total
GROSS BLOCK	Gross Block as at 1st April 2021	2.27	52.87	55.14
	Additions during the Year	0.31	–	0.31
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	(0.03)	–	(0.03)
	Gross Block as at 31st March 2022	**2.55**	**52.87**	**55.42**
AMORTISATION AND IMPAIRMENT (A)	Amortisation as at 1st April 2021	1.66	7.85	9.51
	Amortisation during the Year	0.39	3.07	3.46
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	(0.01)	–	(0.01)
	Total and Amortisation upto 31st March 2022	**2.04**	**10.92**	**12.96**
	Total Impairment Loss as at 1st April 2021	0.02	–	0.02
	Impairment Loss during the Year	–	–	–
	Impairment loss reversed during the Year	(0.02)	–	(0.02)
	Total Impairment Loss upto 31st March 2022	**–**	**–**	**–**
NET BLOCK	**AS AT 31st March 2022**	**0.51**	**41.95**	**42.46**
	AS AT 31st March 2021	0.59	45.02	45.61

Previous Year:

(₹ in Crore)

	Particulars	Computer Software	Technical Know-How, Royalty and Licenses	Total
GROSS BLOCK	Gross Block as at 1st April 2020	1.08	26.71	27.79
	Additions during the Year	0.62	26.16	26.78
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	0.57	–	0.57
	Gross Block as at 31st March 2021	**2.27**	**52.87**	**55.14**
AMORTISATION AND IMPAIRMENT (A)	Amortisation as at 1st April 2020	0.9	5.27	6.17
	Amortisation during the Year	0.71	2.58	3.29
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	0.05	–	0.05
	Total and Amortisation upto 31st March 2021	**1.66**	**7.85**	**9.51**
	Total Impairment Loss as at 1st April 2020	0.02	–	0.02
	Impairment Loss during the Year	–	–	–
	Impairment loss reversed during the Year	–	–	–
	Total Impairment Loss upto 31st March 2021	**0.02**	**–**	**0.02**
NET BLOCK	**AS AT 31st March 2021**	**0.59**	**45.02**	**45.61**
	AS AT 31st March 2020	0.16	21.44	21.60

Note – 3 : INTANGIBLE ASSETS (Contd..)

(2) Intangible assets with indefinite useful life

Current Year:

(₹ in Crore)

Particulars		Right of Way
GROSS BLOCK	Gross Block as at 1st April 2021	0.27
	Additions during the Year	–
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	–
	Gross Block as at 31st March 2022	**0.27**
AMORTISATION AND IMPAIRMENT (A)	Total Impairment Loss as at 1st April 2021	0.27
	Impairment Loss during the Year	–
	Impairment loss reversed during the Year	–
	Total Impairment Loss upto 31st March 2022	**0.27**
NET BLOCK	**AS AT 31st March 2022**	**–**
	AS AT 31st March 2021	–

Previous year:

(₹ in Crore)

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

Note :

(A) Pertains to Cauvery Basin Refinery (refer Note 44.2)

Note – 3.1 : INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	Note	31-Mar-22		31-Mar-21
Work in Progress - Intangible Asset:				
Balance as at beginning of the year		241.80		222.29
Add: Net expenditure during the year		17.56		19.51
Less: Transfer to Asset held for transfer	A	259.36		
			–	**241.80**
TOTAL			–	241.80

Note :

A. Refer Note 44.1

Current Year :

(₹ in Crore)

Intangible Assets Under Development	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	NIL				

Note – 3 : INTANGIBLE ASSETS (Contd..)

Previous Year :

(₹ in Crore)

Intangible Assets Under Development	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
CBR 9MMTPA	19.51	144.30	77.99	–	241.80

Note:

No Project activity is under suspension

There has been no cost / Time over run in respect of the above

Note – 4 : EQUITY INVESTMENT IN JOINT VENTURES

(₹ in Crore)

Sl. No	Particulars	No. and Particulars	Face Value per share (₹)	Non-current	
				31-Mar-22	31-Mar-21
I	**Investments in equity shares**				
1	**Unquoted:**				
a)	**Investment in Joint Venture Companies:**				
	i) Indian Additives Ltd.	1183401 Equity Shares fully paid	100	**11.83**	11.83
	Add: Share of Other Equity (inclusive of OCI)			**196.61**	186.68
	ii) National Aromatics and Petrochemical Corporation Limited	25000 Equity Shares fully paid	10	**0.03**	0.03
	Add: Share of Other Equity (inclusive of OCI)		A	**(0.03)**	(0.03)
				–	–
	TOTAL			**208.44**	**198.51**
	Aggregate value of unquoted investments			**208.47**	198.54
	Aggregate amount of impairment in value of investments			**0.03**	0.03

Note – 4.1 : OTHER INVESTMENTS

(₹ in Crore)

Sl. No	Particulars	No. and Particulars	Face Value per share (₹)	Non-current	
				31-Mar-22	31-Mar-21
I	**Other Investments:**				
	Investments at fair value through OCI (fully paid):				
a)	Biotech Consortium India Ltd	100000 Equity Shares fully paid	10	**0.10**	0.10
b)	MRL Industrial Cooperative Service Society Ltd	9000 Shares fully paid	10	**0.01**	0.01
	TOTAL		B	**0.11**	**0.11**
	Aggregate value of unquoted investments			**0.11**	0.11
	Aggregate amount of impairment in value of investments			–	–

Note :

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

B Fair Value approximates carrying value

Note – 5 : LOANS

(₹ in Crore)

Sl. No	Particulars	Note	Non-current 31-Mar-22	Non-current 31-Mar-22	Non-current 31-Mar-21	Current 31-Mar-22	Current 31-Mar-22	Current 31-Mar-21
1	**Loans Receivables:**							
	To Related Parties							
	i) Considered Good -Secured	A.1	0.29		0.15	0.04		0.02
	ii) Considered Good -Unsecured	A.2	0.08		0.11	0.03		0.04
			0.37		0.26	**0.07**		0.06
	To Others							
	i) Considered Good -Secured		54.18		46.09	5.49		5.35
	ii) Considered Good -Unsecured		6.03		6.99	5.41		5.86
			60.21		53.08	**10.90**		11.21
	Sub Total			**60.58**	53.34		**10.97**	11.27
	TOTAL			**60.58**	53.34		**10.97**	11.27
	Notes :							
A.1	**Includes:**							
	1 Due from Directors			**0.29**	0.14		**0.03**	0.01
	2 Due from Officers			**0.00**	0.01		**0.01**	0.01
A.2	**Includes:**							
	1 Due from Directors			**0.05**	0.07		**0.01**	0.02
	2 Due from Officers			**0.03**	0.04		**0.02**	0.02

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

(₹ in Crore)

Sl. No	Particulars	Amount as on 31-Mar-22	Amount as on 31-Mar-21	Maximum Amount outstanding during the year ended 31-Mar-22	Maximum Amount outstanding during the year ended 31-Mar-21
I.	Loans and Advances in the nature of loans:				
A)	To Parent Company	–	–	–	–
B)	To Associates /Joint Venture	–	–	–	–
C)	To Firms/Companies in which directors are interested	–	–	–	–

Current Year :

Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	–	–
Directors	0.38	0.5%
KMPs	0.06	0.1%
Related Parties	–	–

Previous Year :

Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	–	–
Directors	0.24	0.4%
KMPs	0.08	0.1%
Related Parties	–	–

Note – 6 : OTHER FINANCIAL ASSETS

(₹ in Crore)

Sl. No	Particulars	Note	Non-current			Current		
			31-Mar-22		31-Mar-21	31-Mar-22		31-Mar-21
1	**Security Deposits**							
	To Others							
	i) Unsecured, Considered Good			**1.45**	1.34		**12.46**	21.95
2	**Deposit for Leave Encashment Fund**			**128.06**	111.08		**–**	–
3	**Claims Recoverable :**							
	a) From Related Parties							
	i) Unsecured, Considered Good	A		**–**	–	–		0.89
	ii) Unsecured, Considered Doubtful			**–**	–	22.66		22.66
				–	–	22.66		23.55
	Less : Provision for Doubtful Claims					12.53		12.53
	Less : Share of Other Equity (JV-National Aromatics and Petrochemicals Corporation Limited)					10.13		10.13
	Sub Total			**–**	–		**–**	0.89
	b) Others							
	i) Unsecured, Considered Good			**–**	–	17.30		16.41
	ii) Unsecured, Considered Doubtful			**–**	–	5.89		5.89
				–	–	23.19		22.30
	Less : Provision for Doubtful Claims			**–**	–	5.89		5.89
	Sub Total			**–**	–		**17.30**	16.41
4	**Other Financial Assets**			**–**	–		**33.38**	0.54
	TOTAL			**129.51**	112.42		**63.14**	39.79

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

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

(₹ in Crore)

Particulars	Non-current			Current		
	31-Mar-22		31-Mar-21	31-Mar-22		31-Mar-21
Income Tax Asset / (Liability) - Net						
Advance payments for Income Tax	412.22		705.69	–		–
Less: Provision for Income Tax	340.77		654.63	–		–
Income Tax Asset / (Liability) - Net		**71.45**	51.06		**–**	–
TOTAL		**71.45**	51.06		**–**	–

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

(₹ in Crore)

Particulars	Note	31-Mar-22	31-Mar-21
Accounting profit			
Tax at the applicable tax rate of 25.17% (31.3.2021: 25.17%)		**25.17%**	**25.17%**
Tax effect of income that are not taxable in determining taxable profit:		0.08%	–
Tax effect on share of results of joint venture:		0.21%	0.50%
Tax effect of expenses that are not deductible in determining taxable profit:		0.45%	0.69%
Tax expense /income related to prior years :		2.02%	–
Tax effect on recognition of previously unrecognised allowances / disallowances :		(1.36%)	0.27%
Tax effect due to Change in applicable Tax rates :		–	53.52%
Tax expense		**26.57%**	**80.15%**

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

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

(₹ in Crore)

	As at 31-Mar-20	Provided during the Year 2020-21	Provided during the Year in OCI 2020-21	As at 31-Mar-21	Provided during the Year 2021-22	Provided during the Year in OCI 2021-22	As at 31-Mar-22
Deferred tax liability:							
Related to Property,Plant & Equipment (Depreciation)	1157.32	(397.95)	–	759.37	35.05	–	794.42
43B Disallowances , Gratuity etc.	(19.86)	10.09	(1.94)	(11.71)	10.31	7.69	6.29
Total deferred tax liability (A)	**1137.46**	**(387.86)**	**(1.94)**	**747.66**	**45.36**	**7.69**	**800.71**
Deferred tax assets:							
Carry forward Business Loss/ Unabsorbed Depreciation	1,456.26	(822.20)	–	634.06	(475.20)	–	158.86
Provision on Inventories, Trade Receivables, Loans and advances, CWIP , Investments etc.	14.73	(4.65)	–	10.08	68.68	–	78.76
MAT Credit Entitlement	599.99	(599.99)	–	–	–	–	–
Total deferred tax assets (B)	**2070.98**	**(1426.84)**	**–**	**644.14**	**(406.52)**	**–**	**237.62**
Deferred Tax Liability (Net) (A - B)	**(933.52)**	**1038.98**	**(1.94)**	**103.52**	**451.88**	**7.69**	**563.09**

The recognition of deferred tax assets / liability is based on the "Asset and liability method", determined on the basis of difference between the financial statement and tax bases of the assets and liabilities, by using the enacted tax rates applicable to the company.

The deferred taxes are recognised to the extent, they are more likely than not to be realised, based on the best estimates as at the balance sheet date. In making such estimates, all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income and pricing assumptions based on the past trend are considered. Such estimates are subject to significant fluctuations in earnings and timing of such earnings.

Note – 8 : OTHER ASSETS

(₹ in Crore)

Sl. No	Particulars	Note	Non-current		Current	
			31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
1	**Advance for Capital Expenditure**					
	a) To Related Parties					
	i) Unsecured, Considered Good		**–**	–	**–**	–
	b) To Others					
	i) Unsecured, Considered Good		**0.75**	2.15	**–**	–
	Less: Transfer to Asset held for transfer	A	**0.24**			–
			0.51	2.15	**–**	–
2	**Advances**					
	a) To Others					
	i) Unsecured, Considered Good		**–**	–	**44.78**	50.45
3	**Claims Recoverable :**					
	From Custom, Excise, Sales tax, Income Tax dept & Others					
	i) Unsecured, Considered Good		**–**	–	**279.52**	210.42
4	**GST-ITC recoverable**		**–**	–	**11.93**	13.10
5	**Balance with Customs, Port Trust and** Excise Authorities:					
	i) Unsecured, Considered Good		**–**	–	**0.53**	6.11
6	**Gold / Other Precious Metals**		**–**	–	**19.67**	9.10
7	**Deferred Expenses**		**37.85**	27.87	**3.29**	2.82
8	**Other Assets**	B	**44.37**	30.24	**17.46**	–
	TOTAL		**82.73**	60.26	**377.18**	292.00

Note :

A Refer Note 44.1

B Non current asset pertains to land given on lease related to Indian Oil Corporation Ltd., the holding company

Note – 9 : INVENTORIES

(₹ in Crore)

Sl. No	Particulars	31-Mar-22		31-Mar-21
1	**In Hand :**			
	a. Stores, Spares etc.	324.43		337.58
	Less : Provision for Losses	42.83		40.05
			281.60	297.53
	b. Raw Materials		**3373.29**	1518.69
	c. Finished Products		**2456.19**	1935.22
	d. Stock in Process		**1006.28**	299.96
			7117.36	4051.40
2	**In Transit :**			
	a. Stores & Spares etc.		**8.54**	7.47
	b. Raw Materials		**406.61**	449.99
			415.15	457.46
	TOTAL		**7532.51**	4508.86
	Amount of write down of inventories to NRV and recognised as expense		–	81.57

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

Note – 10 : TRADE RECEIVABLES

(₹ in Crore)

Particulars	Note	31-Mar-22		31-Mar-21
a) From Related Parties				
i) Considered Good - Unsecured	(i)	179.08		114.42
b) From Others				
i) Considered Good -Unsecured		73.24		85.56
			252.32	199.98
TOTAL	A		**252.32**	**199.98**

Notes :

(i) Includes receivables from Indian Oil Corporation Ltd., the holding company ₹ 178.72 Crore (2021: ₹ 113.66 Crore) and receivables from Indian Additives Limited, Joint Venture Company ₹ 0.36 Crore (2021: ₹ 0.76 Crore).

A Offsetting Financial Assets and Financial Liabilties:

The following table presents the recognised financial instruments that are offset as at 31st March 2022 and 31st March 2021

(₹ in Crore)

Particulars	Effects of offsetting on the balance sheet		
	Gross Amount	Gross Amounts set off in the balance sheet	Net Amounts presented in the balance sheet
31-03-22			
Financial Assets			
Trade receivables	3242.96	2990.64	252.32
Financial Liabilities			
Trade Payables	6230.70	2990.64	3240.06
31-03-21			
Financial Assets			
Trade receivables	1489.66	1289.68	199.98
Financial Liabilities			
Trade Payables	3171.66	1289.68	1881.98

Note – 10 : TRADE RECEIVABLES (Contd..)

Offsetting Arrangements

The Trade receivables and payables to the extent being settled on net basis with Indian Oil Corporation Limited have been offset.

Trade receivables - Ageing

Current Year : (₹ in Crore)

Particulars	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	249.60	–	2.72	–	–	252.32

Previous Year : (₹ in Crore)

Particulars	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	196.59	3.27	0.07	0.04	199.98	241.80

Note – 11 : CASH AND CASH EQUIVALENTS

(₹ in Crore)

Sl. No	Particulars	31-Mar-22	31-Mar-21
1	**Bank Balances with Scheduled Banks :**		
	Current Account	8.33	1.15
	TOTAL	**8.33**	**1.15**

Note – 12 : OTHER BANK BALANCES

(₹ in Crore)

Sl. No	Particulars	Note	31-Mar-22	31-Mar-21
1	Earmarked Balances	A	3.67	3.68
	TOTAL		**3.67**	**3.68**

Note :

A) Pertains to Unpaid dividend (Refer note 16 - Sl.No.5)

Note – 13 : EQUITY SHARE CAPITAL

(₹ in Crore)

Particulars	Note	31-Mar-22	31-Mar-21
Authorized:			
Equity:			
40,00,00,000 (2021: 40,00,00,000) Equity Shares of ₹ 10 each		400.00	400.00
Preference:			
100,00,00,000 (2021:100,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each		1000.00	1000.00
		1400.00	**1400.00**
Issued :			
Equity:			
14,89,11,400 (2021: 14,89,11,400) Equity Shares of ₹ 10 each	(i)	148.91	148.91
Preference:			
50,00,00,000 (2021: 50,00,00,000;) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each	(ii)	500.00	500.00
		648.91	**648.91**
Subscribed, Called-up and fully Paid-up :			
14,89,11,400 (2021: 14,89,11,400) Equity shares of ₹10 each	(i)	148.91	148.91
Total Paid up Equity share Capital		**148.91**	**148.91**
TOTAL		**148.91**	**148.91**

Note – 13 : EQUITY SHARE CAPITAL (Contd..)

Notes :

(i) (A) As per the Formation Agreement entered into between the promoters, an offer is to be made to the Naftiran Intertrade Company Limited (NICO), an affiliate of National Iranian Oil Company (NIOC) in any issue of the Capital in proportion to the shares held by them at the time of such issue to enable them to maintain their shareholding at the existing percentage.

(B) The Shareholders of the Company at the General meeting held on 24th August 2018 has accorded approval for

a) Cancellation of unsubscribed equity share capital of ₹ 20.87 Crore consisting of 2,08,68,900 equity shares of ₹ 10/- each, comprising of partial subscription to Rights Issue made by the company in 1984, by the Government of India and non-subscription by Amoco India Inc., to the Rights Issue made by the company in 1984;

b) Cancellation of 2,19,700 forfeited equity shares of ₹ 10/- each totaling ₹ 0.22 Crore (1,87,900 equity shares forfeited on 26.09.2003 and 31,800 equity shares forfeited on 26.10.2006)

(ii) Based on special resolution passed by the shareholders through postal ballot on 16.07.2015, the company has allotted 100 Crore Non Convertible Cumulative Redeemable Preference Shares of ₹ 10 each for cash at par amounting to ₹ 1000 Crore to Indian Oil Corporation Ltd, the holding company on private placement preferential allotment basis on 24.09.2015 after receipt of full subscription amount.

Preference shares to the extent of ₹ 500 crore, out of the total outstanding amount of ₹ 1000 crore were redeemed on 06.06.2018. Accordingly the outstanding amount as at 31.03.2022 is ₹ 500 crore.

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

A. Reconciliation of No. of Shares

Particulars	31-Mar-22		31-Mar-21	
	Equity Shares	Preference Shares	Equity Shares	Preference Shares
Opening Balance	14,89,11,400	50,00,00,000	14,89,11,400	50,00,00,000
Shares Issued	–	–	–	–
Shares bought back / Redeemed	–	–	–	–
Closing Balance	**14,89,11,400**	**50,00,00,000**	14,89,11,400	50,00,00,000

B. Rights, preferences and restrictions attached to Equity shares

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

C. Shares held by Holding Company

(₹ in Crore)

	31-Mar-22	31-Mar-21
7,72,65,200 Equity Shares of ₹10 each (51.89%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.	77.27	77.27

D. Details of shareholders holdings more than 5% shares

Equity Shares

Name of Shareholder	31-Mar-22		31-Mar-21		% change during the year
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding	
Indian Oil Corporation Limited	**77265200**	**51.89**	77265200	51.89	NIL
Naftiran Intertrade Company Limited	**22932900**	**15.40**	22932900	15.40	

Note – 13 : EQUITY SHARE CAPITAL (Contd..)

E. Details of shares held by promotors

Equity Shares

Name of Shareholder	31-Mar-22		31-Mar-21		% change during the year
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding	
Indian Oil Corporation Limited	**77265200**	**51.89**	77265200	51.89	NIL
Naftiran Intertrade Company Limited	**22932900**	**15.40**	22932900	15.40	

Note – 14 : OTHER EQUITY

(₹ in Crore)

Sl. No	Particulars	Note	31-Mar-22		31-Mar-21
1	**Retained Earnings**				
a)	**General Reserve :**				
	As per last Account		3533.95		3539.28
	Add: Remeasurement of Defined Benefit Plans		23.50		(5.33)
			3557.45		3533.95
b)	**Surplus (Balance in Statement of Profit and Loss):**				
	Balance Brought Forward from Last Year's Account		(2921.79)		(3179.05)
	Add: Profit / (Loss) for the Year		1352.03		257.26
	Less: APPROPRIATIONS:				
	Capital Redemption Account		100.00		–
	Balance carried forward to next year's account		(1669.76)		(2921.79)
				1887.69	612.16
2	**Other Reserves**				
a)	**Capital Redemption Reserve :**	A			
	As per last Account		600.00		600.00
	Add: Transferred from Profit and Loss Account		100.00		0.00
				700.00	600.00
b)	**Securities Premium:**	B			
	As per last Account			**250.04**	250.04
c)	**Capital Reserve**				
	As per last Account			**0.09**	0.09
	TOTAL			**2837.82**	**1462.29**

Note :

Other Reserves

Reserves created in compliance with the Provision of the Companies Act, the utilisation of which is restricted to the purposes mandated therein:

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

B Securities Premium : Premium on shares issued by the company appropriated under this reserve.

Note – 15 : LONG-TERM BORROWINGS

(At Amortised Cost)

(₹ in Crore)

Sl. No	Particulars	Note	Non-current			Current Maturities		
			31-Mar-22		31-Mar-21	31-Mar-22		31-Mar-21
I.	**SECURED BORROWINGS**							
1	**Term Loans:**							
	From banks							
	i) Foreign Currency Loans NIL (2021: US $ 50 Million)	B	–		–	–	–	365.79
	Total			–	–			
	From other parties							
	i) Loans from OIDB	A		306.55	443.88	137.50		87.50
	Total			306.55	443.88		137.50	453.29
	Total Secured Borrowings			306.55	443.88		137.50	453.29
II.	**UNSECURED BORROWINGS**							
1	**Debentures**							
	8100 Nos. of 5.78% Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - I-2021 (2021: 8100)	C	810.00		810.00	33.09		33.09
	7750 Nos. of 5.44% Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - II-2022 (2021: Nil)		775.00		–	32.57		–
	11450 Nos. of 6.43% Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - I-2020 (2021: 11450)		–		1145.00	1151.46		6.26
	Total			1585.00	1955.00		1217.12	39.35
2	**Loans from related parties:** 50,00,00,000 (2021 :50,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each	D		500.00	605.76		139.01	–
	Total Unsecured Borrowings			2085.00	2560.76		1356.13	39.35
	TOTAL LONG-TERM BORROWINGS			2391.55	3004.64		1493.63	492.64

A. Secured Rupee Term Loans:

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Repayment	Security Details
1	Term Loan from Oil Industry Development Board - ₹ 50 Crore	18-03-2019	Floating rate based on month end (semi-annualised) interest rates for 5 year G-Sec as per FIMMDA plus 50% of margins of AAA rated Bonds over G-Sec as quoted in INCORP (quote AAA INBMK) reset on a quarterly basis.		First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to RLNG project
2	Term Loan from Oil Industry Development Board - ₹ 50 Crore	17-05-2019			

Note – 15 : LONG-TERM BORROWINGS (Contd..)

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Repayment	Security Details
3	Term Loan from Oil Industry Development Board - ₹ 150 Crore	30-10-2019		The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to BS-VI project
4	Term Loan from Oil Industry Development Board - ₹ 100 Crore	31-03-2020	6.16%		
5	Term Loan from Oil Industry Development Board - ₹ 100 Crore	30-06-2020	5.68%		
6	Term Loan from Oil Industry Development Board - ₹ 100 Crore	26-03-2021	Floating rate based on month end (semi-annualised) interest rates for 5 year G-Sec as per FIMMDA plus 50% of margins of AAA rated Bonds over G-Sec as quoted in INCORP (quote AAA INBMK) reset on a quarterly basis.		

B. Secured Foreign Currency Term Loans:

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Repayment	Security Details
1	Foreign Currency Term Loan from South Indian Bank -USD 50 Mn	13-12-2018	1) 6 Months LIBOR + 125 Bps for first 6 months, 2) 6 Months LIBOR + 175 Bps for next 30 months 3) Reset at half yearly intervels 4) Interest payable on monthly basis	Principal repayable at the end of 3 years from date of availment. Interest payable monthly. Fully Repaid on 10.12.2021	Pari passu first charge on entire fixed assets of the Company (excluding Land and building & assets pertaining to BS VI project and RLNG projects) with a minimum Fixed Asset Coverage Ratio of 1.50 times and second pari passu charge on movable assets of BS VI project and RLNG project.

C. Unsecured Loans:

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Redemption
1	Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series -I-2021	17-07-2020	5.78%	Principal repayable at the end of 5 years from date of availment. Interest payable Annually
2	Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series -II-2022	23-06-2021	5.44%	Principal repayable at the end of 3 years from date of availment. Interest payable Annually
3	Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series -I-2020	28-02-2020	6.43%	Principal repayable at the end of 3 years from date of availment. Interest payable Annually

Note – 15 : LONG-TERM BORROWINGS (Contd..)

D. Non Convertible Cumulative Redeemable Preference Shares

Preference Share is treated as financial liability as per Ind AS 32, as these are redeemable on maturity for a fixed determinable amount and carry fixed rate of dividend.

(i) Rights, preferences and restrictions attached to Preference shares:

The Company has one class of preference shares i.e. Non-Convertible Cumulative Redeemable Preference Shares (NCCRP Shares) of ₹ 10 per share.

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

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

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

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

(e) Dividend rate shall be equivalent to the Post tax yield of AAA rated corporate bond i.e. prevailing (at the time of issue) 10 year G-Sec yield plus spread on AAA rated corporate bond i.e., 6.65% p.a."

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

(iii) Preference Shares held by Holding Company

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
50,00,00,000 (2021 : 50,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹10/- each (100%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.	500.00	500.00

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

Name of Preference Shareholder	31-Mar-22		31-Mar-21	
	Number of Preference shares held	Percentage of Holding	Number of Preference shares held	Percentage of Holding
Indian Oil Corporation Limited	500000000	100	500000000	100

(v) Preference dividend has been provisionally accrued as finance cost. However, as per the Companies Act 2013, the preference shares is treated as part of share capital and the provisions of the Act relating to declaration of Preference Dividend would be applicable.The Board of Directors have recommended preference dividend of 6.65% on the outstanding preference shares amounting to ₹ 33.25 Cr for the year and ₹ 105.76 Cr being the cumulative preference dividend for the previous year(s).

(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 31-Mar-22	Non-current 31-Mar-21	Current 31-Mar-22	Current 31-Mar-21
1	Liability for Capital Expenditure	A	–	–	348.34	434.46
	Less: Transfer to disposal group held for transfer	B	–	–	25.06	–
					323.28	434.46
2	Liability to Trusts and Other Funds		–	–	–	43.80
3	Employee Liabilities for Expenses		–	–	156.86	107.55
4	Security Deposits	C	6.60	6.72	31.99	35.45
5	Liability for Unpaid Dividend	D	–	–	3.67	3.68
6	Other Financial Liabilities		–	–	2.04	1.72
	TOTAL		**6.60**	6.72	**517.84**	626.66

Notes :

A Includes dues Payable to Indian Oil Corporation Limited ₹ 4.31 Crore (2021: ₹ 4.31 Crore) and Indian Oiltanking Limited ₹ 4.76 Crore (2021: ₹ 4.76 Crore)

B Refer Note 44.1

C Non-Current Liability pertains to Indian Oil Corporation Ltd., the holding company.

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

Note – 17 : PROVISIONS

(₹ in Crore)

Sl. No	Particulars	Note	Non-current 31-Mar-22	Non-current 31-Mar-21	Current 31-Mar-22	Current 31-Mar-21
1	Provision for Employee Benefits		111.47	109.47	20.32	22.56
2	Contingencies for probable obligations	A	–	–	332.73	24.50
	TOTAL		**111.47**	109.47	**353.05**	47.06

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

Particulars	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year	Closing Balance
Sales Tax	11.16	234.98	–	0.10	246.04
Income Tax	13.34	86.69	–	13.34	86.69
TOTAL	**24.50**	**321.67**	**–**	**13.44**	**332.73**
Previous Year	24.39	0.11	–	–	24.50

Note – 18 : OTHER LIABILITIES

(₹ in Crore)

Sl. No	Particulars	Note	Non-current 31-Mar-22	Non-current 31-Mar-21	Current 31-Mar-22	Current 31-Mar-21
1	Deferred Income	A	7.45	7.73	0.29	0.30
2	Government Grants					
	Liability towards Government Grants (Refer Note - 40)		11.59	7.26	1.69	1.69
3	Statutory Liabilities		–	–	479.90	628.88
4	Advances from Customers		–	–	52.43	25.60
	TOTAL		**19.04**	**14.99**	**534.31**	**656.47**

Note :

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

Note – 19 : BORROWINGS - CURRENT

(At Amortised Cost)

(₹ in Crore)

Sl. No	Particulars	Note	31-Mar-22		31-Mar-21
I.	**SECURED BORROWINGS**				
1	**Loans Repayable on Demand**				
	From Banks:				
	a) In Rupees				
	i) Working Capital Demand Loan	A	2507.46		–
	Sub-Total			**2507.46**	–
2	**Other Loans**				
	From Banks:				
	i) Commercial Paper - SBI	A	–		2011.42
	Sub-Total			**–**	2011.42
3	**Current maturities of Long term debt**			**137.50**	453.29
	Total Secured Borrowings			**2644.96**	**2464.71**
II.	**UNSECURED BORROWINGS**				
1	**Loans Repayable on Demand**				
	From Banks/Financial Institutions:				
	In Rupees				
	Working Capital Demand Loan		2730.23		155.02
	Sub-Total			**2730.23**	155.02
2	**Other Loans**				
	From Banks/Financial Institutions:				
	In Rupees				
	Commercial Paper			**99.83**	3484.25
3	**Current maturities of Long term debt**			**1356.13**	39.35
	Total Unsecured Borrowings			**4186.19**	**3678.62**
	TOTAL BORROWINGS - CURRENT			**6831.15**	**6143.33**

Notes:

A Secured against hypothecation by way of first charge on Trade Receivables & Inventories to State Bank of India.

Note – 20 : TRADE PAYABLES

(₹ in Crore)

Particulars	Note	31-Mar-22	31-Mar-21
Dues to Micro and Small Enterprises	**A**	6.79	9.38
Dues to Related Parties	**B**	1887.18	1077.29
Dues to Others		1346.09	795.31
TOTAL	**C**	**3240.06**	**1881.98**

Notes :

A Details relating to Micro and Small Enterprises is as follows:

Particulars	31-Mar-22	31-Mar-21
(a) the principal amount	6.79	9.38
(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;	–	–
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	–	–

Note – 20 : TRADE PAYABLES (Contd..)

Particulars	31-Mar-22	31-Mar-21
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year	–	–
(f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	–	–

B Represents dues to Indian Oil Corporation Ltd., the holding company

C Refer Note - 10(A)

D Trade Payables aging schedule

Current Year :

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment					
	Unbilled	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
(i) MSME		6.79				6.79
(ii) Others	118.38	3103.31	4.67	2.63	4.13	3233.12
(iii) Disputed dues – MSME						–
(iv) Disputed dues - Others			0.15			0.15
Total						**3240.06**

Previous Year :

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment					
	Unbilled	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
(i) MSME		9.38				9.38
(ii) Others	60.75	1793.41	3.92	3.06	10.33	1871.47
(iii) Disputed dues – MSME						0.00
(iv) Disputed dues - Others		0.15			0.98	1.13
Total						**1881.98**

Note – 21 : REVENUE FROM OPERATIONS

(₹ in Crore)

Sl. No	Particulars	Note	31-Mar-22		31-Mar-21
1	**Sale of Products and Crude (including Excise Duty)**		60504.15		41869.29
	Less: Discounts		102.13		55.34
	Sales (Net of Discounts)	A	60402.02		41813.95
2	Other Operating Revenues (Note "22.1")		72.27		85.12
				60474.29	**41899.07**
	TOTAL	B		**60474.29**	**41899.07**

Notes :

A Breakup of Gross revenue and Excise Duty on sales

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
Revenue (gross)	60402.02	41813.95
Less: Excise Duty	17358.81	19302.68
Net Revenue	**43043.21**	**22511.27**

B Refer Note-42 Revenue from contracts with customers

Note – 21.1 : OTHER OPERATING REVENUES

(₹ in Crore)

Sl. No	Particulars	Note	31-Mar-22	31-Mar-21
1	Sale of Power		1.98	1.91
2	Unclaimed / Unspent liabilities written back		2.67	0.11
3	Provision for Doubtful Debts, Advances, Claims, and Stores written back.		–	1.10
4	Recoveries from Employees		1.57	1.47
5	Sale of Scrap		21.20	6.99
6	Amortisation of Government Grants related to OIDB loan		1.67	1.31
7	Revenue Grants		–	1.68
8	Terminalling Charges		1.75	1.67
9	Other Miscellaneous Income	A	41.43	68.88
	TOTAL		**72.27**	**85.12**

A Includes ₹ Nil (2021 : ₹ 36.5 Crore) in respect of Insurance claims

Note – 22 : OTHER INCOME

(₹ in Crore)

Sl. No	Particulars	Note	31-Mar-22		31-Mar-21
1	Interest on :				
	Financial Item:				
	a) Loans and Advances		4.56		6.03
	b) Deposits		0.18		0.56
	c) Others	B	12.99		7.81
				17.73	14.40
2	Exchange Fluctuations (Net)			–	86.46
3	Other Non Operating Income			0.01	0.12
	TOTAL			**17.74**	100.98

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

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
In relation to financial assets measured at amortised cost	17.73	14.40

Note – 23 : COST OF MATERIALS CONSUMED

(₹ in Crore)

Particulars	Note	31-Mar-22	31-Mar-21
Raw Material Consumed :			
Opening Balance		**1968.68**	747.31
Add :			
Purchases		**41856.41**	21086.05
Sub Total		**43825.09**	21833.36
Less: Closing Stock		**3779.90**	1968.68
TOTAL (Net)		**40045.19**	19864.68

Note – 24 : CHANGES IN INVENTORY

(₹ in Crore)

Particulars	31-Mar-22		31-Mar-21
Closing Stock			
a) Finished Products	2456.19		1935.22
b) Stock in Process	1006.28		299.96
		3462.47	2235.18
Less:			
Opening Stock			
a) Finished Products	1935.22		1061.64
b) Stock in Process	299.96		281.43
		2235.18	1343.07
NET INCREASE/(DECREASE)		**1227.29**	892.11

Note – 25 : EMPLOYEE BENEFIT EXPENSE

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
Employee Benefit Expense:		
(a) Salaries, Wages, Bonus etc	**402.90**	435.76
(b) Contribution to Provident & Other Funds	**89.07**	73.64
(c) Staff Welfare Expenses	**63.29**	55.11
TOTAL	**555.26**	564.51

Notes :

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

B Above excludes ₹ 38.84 Crore (2021: ₹ 24.94 Crore) transferred to in capital work in progress (Note - 2.2)

Note – 26 : FINANCE COSTS

(₹ in Crore)

Sl. No	Particulars	Note	31-Mar-22		31-Mar-21
1	**Interest Payments on Financial items:**	(i)			
	I **Working Capital Loans**				
	Short term Borrowings		227.70		227.69
	Other Loans				
	Debentures/Long Term Loan	A	140.61		108.86
				368.31	336.55
	II Unwinding of Finance cost on Lease obligations			**1.80**	1.90
	III Interest expense for Preference Shares treated as financial liabilities	B		**33.25**	33.25
2	**Interest Payments on Non Financial items**			**0.36**	0.80
3	**Other Borrowing Cost**	C		**1.15**	2.54
4	**Exchange differences regarded as adjustment to borrowing cost**			**7.57**	–
	TOTAL			**412.44**	375.04
	Notes :				
A	Net of interest capitalised as part of CWIP			**51.40**	**47.04**
B	Refer Note-15 D (v)				

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

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
In relation to financial liabilities measured at amortised cost	403.36	371.70

C Mainly pertains to Stamp duty & other indirect expenses on borrowings.

Note – 27 : OTHER EXPENSES

(₹ in Crore)

Sl. No	Particulars	31-Mar-22		31-Mar-21
1	Consumption:			
	a) Stores, Spares and Consumables	94.41		77.81
	b) Packages & Drum Sheets	1.26		0.85
			95.67	78.66
2	Power & Fuel	2485.20		1552.22
	Less : Fuel from own production	2419.28		1494.25
			65.92	57.97
3	Irrecoverable taxes - Central Sales Tax		307.09	222.34
4	Repairs and Maintenance			
	i) Plant & Machinery	186.15		162.73
	ii) Buildings	1.09		0.70
	iii) Others	66.97		46.44
			254.21	209.87
5	Freight, Transportation Charges and Demurrage		27.37	112.05
6	Office Administration, Selling and Other Expenses (Refer Note "27.1")		481.46	175.37
	TOTAL		**1231.72**	**856.26**
	Less: Company's use of own Products		1.10	0.65
	TOTAL (Net)		**1230.62**	**855.61**

Note – 27.1 : OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES

(₹ in Crore)

Sl. No	Particulars	Note	31-Mar-22		31-Mar-21
1	Rent			11.60	8.34
2	Insurance			27.83	23.71
3	Rates & Taxes			2.14	1.92
4	Payment to auditors :				
	a) For Statutory Audit		0.24		0.29
	b) For Limited Review		0.12		0.12
	c) For Taxation Matters		0.04		0.07
	d) Other Services(for issuing other certificates etc.)		0.03		0.03
				0.43	0.51
5	Travelling & Conveyance			18.58	14.94
6	Communication Expenses			1.63	1.95
7	Printing & Stationery			0.93	1.21
8	Electricity & Water			0.46	0.78
9	Bank Charges			0.77	1.43
10	Provision / Loss on Assets sold or written off (Net)			12.10	51.34
11	Technical Assistance Fees			8.65	5.17
12	Exchange Fluctuation (Net)			98.65	0.00
13	Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores			2.78	1.05
14	Security Force Expenses			30.16	33.99
15	Terminalling Charges			9.90	8.96
16	Provision for Probable Contingencies			234.86	0.11
17	Expenses on CSR Activities	Refer Note:39		–	1.96
18	Miscellaneous Expenses	A		19.99	18.00
	TOTAL			**481.46**	**175.37**

Note :

A Miscellaneous Expenses Includes:

i) Expenditure on Advertisement, Public Relations and Publicity amounting to ₹ 0.49 Crore (2021: ₹ 0.44 Crore). The ratio of annual expenditure on Advertisement,Public Relations and Publicity to the annual turnover (inclusive of excise duty) is 0.00001:1 (2021: 0.00001:1)

ii) Entertainment Expenses ₹ 0.16 Crore (2021: ₹ 0.2 Crore)

Note – 28 : OTHER COMPREHENSIVE INCOME

(₹ in Crore)

Sl. No	Particulars	31-Mar-22		31-Mar-21
A.	**Items that will not be reclassified to profit or loss:**			
1	Remeasurement of Defined Benefit Plans	30.85		(7.21)
2	Share of Joint Ventures and Associates in Remeasurement of Defined Benefit Plans	0.34		(0.08)
			31.19	(7.29)
B.	**Income Tax relating to items that will not be reclassified to profit or loss:**			
1	Remeasurement of Defined Benefit Plans	(7.61)		1.94
2	Share of Joint Ventures and Associates in Remeasurement of Defined Benefit Plans	(0.08)		0.02
			(7.69)	1.96
	TOTAL		**23.50**	**(5.33)**

Note – 29 : DISTRIBUTIONS MADE AND PROPOSED

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
Cash dividends on Equity shares	–	–
	–	–
Proposed dividends on Equity shares:		
Final dividend for year ended 31 March 2022: ₹ 2 per share (31 March 2021: ₹ NIL per share)	**29.78**	–
	29.78	–

Proposed dividend on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability as at 31 March 2022

Note : Refer Note-15 D (v) for Preference dividend

Note – 30 : EARNINGS PER SHARE (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
Profit / (Loss) attributable to equity holders (₹ in Crore)	**1352.03**	257.26
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	**148911400**	148911400
Earning Per Share (Basic and Diluted) (₹)	**90.79**	17.28
Face value per share (₹)	**10.00**	10.00

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

(₹ in Crore)

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying Amount	
					As at 31-Mar-22	As at 31-Mar-21
Indian Additives Limited	India	50%	Joint Venture	Equity Accounting	208.44	198.51
National Aromatics and Petrochemical Corporation Limited	India	50%	Joint Venture	Equity Accounting	(10.13)	(10.13)

Note – 31 : DISCLOSURE OF INTEREST IN JOINT VENTURES AND ASSOCIATES (Contd..)

Summarised balance sheet of the Indian Additives Limited:

(₹ in Crore)

Particulars	31-Mar-22 Audited	31-Mar-21 Audited
Current assets	367.50	376.48
Current liabilities	99.11	120.37
Non-current assets	183.18	176.85
Non-current liabilities	34.67	35.93
Net assets	**416.90**	**397.03**

(₹ in Crore)

Particulars	31-Mar-22 Audited	31-Mar-21 Audited
Proportion of the company's ownership on the above	50%	50%
Carrying amount of the investment	208.44	198.51
The above amounts of assets and liabilities include the followings		
Cash and cash equivalents	13.38	49.03

Summarised statement of profit and loss of the Indian Additives Limited:

(₹ in Crore)

Particulars	31-Mar-22 Audited	31-Mar-21 Audited
Revenue From Operations	866.74	699.42
Other Income	9.61	7.94
Cost of Material Consumed	620.24	418.13
Purchases of Stock in trade	77.85	57.25
Changes in inventories of finished goods, stock-in-trade and work in progress	(28.45)	20.41
Excise duty on sale of goods	–	–
Employee Benefits Expense	36.33	33.42
Finance Costs	0.34	0.32
Depreciation and amortization expense		
a) Tangible Assets	16.37	15.66
b) Intangible Assets	0.04	0.03
Other Expenses	112.26	92.89
Profit before exceptional items and tax	**41.38**	**69.25**
Exceptional Items		
Profit/(loss) before tax	**41.38**	**69.25**
Tax expense:		
Current Tax	10.20	17.50
Tax Expense relating to previous year	(0.44)	
Deferred Tax	0.42	0.47
Profit (Loss) for the period	**31.20**	**51.28**
Other Comprehensive Income	0.50	(0.12)
Total comprehensive income	**31.70**	**51.15**
Dividend received	5.92	5.92

Note – 31 : DISCLOSURE OF INTEREST IN JOINT VENTURES AND ASSOCIATES (Contd..)

Commitments and contingent liabilities in respect of Joint Venture

(₹ in Crore)

Particulars	31-Mar-22 Audited	31-Mar-21 Audited
Commitments – Joint Venture		
Property, Plant and Equipments	1.14	1.10
Civil Work relating to Project	–	–
Contingent liabilities – Joint Venture		
Income Tax Matters	3.33	3.33
Excise Duty Matters	0.01	0.01
Service Tax Matters	0.57	0.76
Sales Tax Matters	0.34	0.34
Customs duty matters	–	0.01

Individually immaterial Joint Ventures:

(₹ in Crore)

Particulars	Note	31-Mar-22	31-Mar-21
Aggregate carrying amount of individually immaterial Joint Venture			
i) National Aromatics and Petrochemical Corporation Limited	A	–	–
Aggregate amounts of the group's share of:			
Profit/(loss) from continuing operations		NA	NA
Other comprehensive income		NA	NA
Total comprehensive income		NA	NA
Share of profits from Joint Venture		(0.01)	(0.01)

A. The Investment in JV have been fully provided for dimunition in value of investments. The JV is not Operational

The company has decided to exit from the JV and the process in this regard is already initiated.

NA - Not Applicable

Note – 32 : EMPLOYEE BENEFITS

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

A. Defined Contribution Plans- General Description

Pension Scheme:

During the year, the company has recognised ₹ 24.62 Crore (2021: ₹ 21.1 Crore) towards contribution to Defined Employees Pension Scheme in the Statement of Profit and Loss / CWIP (included in Contribution to Provident & Other Funds in Note - 25 / Construction period expenses in Note-2.1)

During the year, the company has recognised ₹ 1.81 Crore (2021: ₹ 1.95 Crore) as contribution to EPS-95 in the Statment of Profit and Loss / CWIP (included in Contribution to Provident and Other Funds in Note - 26 / Construction period expenses in Note-2.1)

B. Defined Benefit Plans- General Description

1 Provident Fund:

The Company's contribution to the Provident Fund is remitted to separate provident fund trust established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company. The Provident Fund maintained by the PF Trust in respect of which actuarial valuation is carried out and ₹ 4.91 Crore (2021 : ₹ 4.34 Crore) has been provided by the company towards the current and future interest shortfall/losses beyond available surplus.

Note – 32 : EMPLOYEE BENEFITS (Contd..)

2 Gratuity:

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the eligible salary for every completed year of service subject to a maximum of ₹ 0.20 Crore at the time of separation from the company. Besides, the ceiling of gratuity increases by 25% whenever IDA rises by 50%. The company has funded the liability through insurance company.

3 Post Retirement Medical Scheme (PRMS):

PRMS provides medical benefit to retired employees and eligible dependant family members.The company has funded the liability through insurer managed funds.

4 Workman Compensation:

The company pays an equivalent amount of 100 months salary to the family member of employee, if employee dies due to accidental death while he is on duty. This scheme is not funded by the company. The liability originates out of the workman compensation Act and Factory Act.

C. Other Long-Term Employee Benefits - General Description

1 Leave Encashment:

(i) Each employee is entitled to get 8 days of earned leave for each completed quarter of service. Encashment of earned leave is allowed during service leaving a minimum balance of 15 days subject to maximum accumulation up to 300 days. In addition each employee is entitled to get 5 days of sick leave at the end of every six months. The Company has been adopting a practice of permitting encashment of the entire accumulation of sick leave only at the time of retirement.

(ii) DPE Guidelines in this regard states that sick leave cannot be encashed. The company continues this practice keeping in view operational complications and service agreements. Our Holding company has represented to the concerned authorities in earlier years to reconsider the matter. The matter has been dealt in 3rd PRC recommendations, which is effective January 1, 2017 and CPSEs have been allowed to frame their own rules considering operational necessities and subject to conditions set therein. The net expenditure accounted towards encashment of sick leave for the year is ₹ 1.96 Crore (2021: ₹ 6.94 crore). The accumulated provision for towards encashment of sick leave is ₹ 29.86 Crore (2021: ₹ 32.51 Crore).

2 Long Service Award:

On completion of specified period of service with the Company and also at the time of retirement, employees are rewarded with Prepaid Card as per eligibility, based on the duration of service completed based on the Board approved policy. This award based on length of meritorious and faithful service of employees (Long Service Award) was specifically allowed by DPE (formerly BPE) thru its letter dated 14.02.1983. MOP&NG has advised the Company that the Scheme is in contravention to the present DPE guidelines issued vide DPE OM No. 2(22)/97-DPE(WC) dated 20th November, 1997. The matter is being pursued with MOP&NG for resolution. Pending resolution of the matter, the company is of the view that the provision is in line with Board approved policy. The net expenditure accounted on this account is ₹ 0.96 Crore (2021: ₹ 0.80 Crore). The accumulated provision in this regard is ₹ 10.95 Crore (2021: ₹ 11.54 Crore). The Company continues this practice keeping in view operational complications and service agreements. Our Holding company has represented to the concerned authorities in earlier years to reconsider the matter.

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

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

Note – 32 : EMPLOYEE BENEFITS (Contd..)

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

(₹ in Crore)

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Defined Obligation at the beginning	**617.28**	**163.96**	**258.00**
	596.00	*154.79*	*236.68*
Current Service Cost	**23.58**	**3.35**	**3.93**
	26.59	*2.39*	*3.76*
Interest Cost	**61.21**	**11.23**	**17.83**
	45.86	*10.57*	*16.12*
Past Service Cost	**–**	**0.00**	**–**
	–	*16.83*	*–*
Benefits paid	**(112.73)**	**(19.53)**	**(6.01)**
	(104.91)	*(19.52)*	*(4.13)*
Employee Contribution	**40.41**	**–**	**–**
	48.34	*–*	*–*
Transferred from other company	**(0.12)**	**–**	**–**
	(0.30)	*–*	*–*
Actuarial (gain)/ loss on obligations	**0.27**	**(5.55)**	**(19.16)**
	5.70	*(1.10)*	*5.58*
Defined Benefit Obligation at the end of the year	**629.90**	**153.46**	**254.59**
	617.28	*163.96*	*258.00*

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

(₹ in Crore)

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Fair Value of Plan Assets at the beginning of the year	**612.93**	**137.53**	**246.45**
	599.11	*132.89*	*195.01*
Expected return on plan assets (Interest Income)	**60.93**	**9.42**	**17.03**
	45.86	*9.08*	*13.28*
Contribution by employer	**23.58**	**23.59**	**8.29**
	26.59	*14.28*	*41.68*
Contribution by employees	**40.41**	**–**	**–**
	48.34	*–*	*–*
Benefit paid	**(112.73)**	**(1.94)**	**–**
	(104.91)	*(19.52)*	*–*
Transferred from other company	**(0.12)**	**–**	**–**
	(0.30)	*–*	*–*
Actuarial gain / (losses)(Return on Plan Assets excl interest income)	**–**	**2.29**	**4.11**
	(1.76)	*0.80*	*–3.52*
Fair value of plan assets at the end of the year	**625.00**	**170.89**	**275.88**
	612.93	*137.53*	*246.45*

Note – 32 : EMPLOYEE BENEFITS (Contd..)

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

(₹ in Crore)

	Provident Fund Funded	Gratuity Funded	PRMS Funded
Fair Value of Plan Assets at the end of the year	**625.00**	**170.89**	**275.88**
	612.93	*137.53*	*246.45*
Defined Benefit Obligation at the end of the year	**629.90**	**153.46**	**254.59**
	617.28	*163.96*	*258.00*
Liability / (Asset)recognised in the Balance Sheet	**4.90**	**(17.43)**	**(21.29)**
	4.35	*26.43*	*11.55*
Amount not recognised in the Balance Sheet	**–**	**–**	**–**
	–	–	–

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

(₹ in Crore)

	Provident Fund Funded	Gratuity Funded	PRMS Funded
Current Service Cost	**23.58**	**3.35**	**3.93**
	26.59	*2.39*	*3.76*
Interest Cost	**61.21**	**11.23**	**17.83**
	45.86	*10.57*	*16.12*
Expected (return) / loss on plan asset	**(60.93)**	**(9.42)**	**(17.03)**
	(45.86)	*(9.08)*	*(13.28)*
Contribution by Employees	**–**	**–**	**(0.12)**
	–	–	–
Past Service Cost	**–**	**–**	**–**
	–	*16.83*	–
Expenses for the year	**23.86**	**5.16**	**4.61**
	26.59	*20.71*	*6.60*

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

(₹ in Crore)

	Provident Fund Funded	Gratuity Funded	PRMS Funded
Actuarial (gain)/ loss on Obligations	**0.27**	**(5.55)**	**(19.16)**
	5.70	*(1.10)*	*5.58*
Remeasurement (Return on Plan Assets excl interest income)	**–**	**(2.29)**	**(4.11)**
	(1.76)	*(0.80)*	*(3.52)*
Net Loss / (Gain) recognized in OCI	**0.27**	**(7.84)**	**(23.27)**
	–	*(1.90)*	*9.10*
Net Loss / (Gain) not recognized in P&L / OCI	**–**	**–**	**–**
	7.46	–	–

(vi) Major Actuarial Assumptions

(₹ in Crore)

	Provident Fund Funded	Gratuity Funded	PRMS Funded
Discount rate	**7.23%**	**7.23%**	**7.40%**
	6.85%	*6.85%*	*6.91%*
Guaranteed return on plan assets	**8.10%**	**–**	**–**
	8.50%	–	–
Salary escalation	**–**	**8.00%**	**–**
	–	*8.00%*	–
Inflation	**–**	**–**	**7.00%**
	–	–	*7.00%*

Note – 32 : EMPLOYEE BENEFITS (Contd..)

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

(vii) Sensitivity on Actuarial Assumptions:

(₹ in Crore)

Loss / (Gain) for:	Gratuity Funded	PRMS Funded
Change in Discounting Rate		
Increase by 0.5%	**(4.76)**	**(19.22)**
	(4.97)	*(20.75)*
Decrease by 0.5%	**5.11**	**21.88**
	5.36	*23.77*
Change in Employee Turnover		
Increase by 0.5%	**0.42**	**0.50**
	0.35	*0.28*
Decrease by 0.5%	**(0.44)**	**(0.54)**
	(0.36)	*(0.30)*
Change in Salary Escalation/ Inflation rate		
Increase by 0.5%	**4.13**	**21.99**
	4.02	*23.77*
Decrease by 0.5%	**(3.78)**	**(19.48)**
	(3.69)	*(20.95)*

(viii) Investment details:

(₹ in Crore)

	Provident Fund Funded	Gratuity Funded	PRMS Funded
Investment with Insurer	**–**	**100.00%**	**100.00%**
	–	*100.00%*	*100.00%*
Self managed investments	**100.00%**	**–**	**–**
	100.00%	*–*	*–*

Details of the investment pattern for the above mentioned funded obligations is as under:

(₹ in Crore)

	Provident Fund Funded	Gratuity Funded	PRMS Funded
Government securities (Central & State)	**48.46%**	**29.80%**	**81.85%**
	42.33%	*75.11%*	*79.55%*
Investment in Equity / Mutual Funds	**10.24%**	**14.51%**	**8.39%**
	7.26%	*9.07%*	*5.85%*
Investment in Debentures / Securities	**36.37%**	**50.98%**	**9.23%**
	44.21%	*14.80%*	*13.27%*
Other approved investments (incl. Cash)	**4.92%**	**4.71%**	**0.53%**
	6.20%	*1.03%*	*1.33%*

Note – 32 : EMPLOYEE BENEFITS (Contd..)

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

(₹ in Crore)

Cash Flow Projection from the Fund/Employer	Gratuity Funded	PRMS Funded	Total
Within next 12 Months	**20.49**	**7.53**	**28.02**
	24.44	6.50	30.95
Between 2 to 5 Years	**62.69**	**38.82**	**101.50**
	63.02	34.85	97.87
Between 6 to 10 Years	**70.38**	**70.10**	**140.48**
	74.90	64.17	139.07

(₹ in Crore)

Cash Flow Projection from the Fund/Employer	Gratuity Funded	PRMS Funded
Weighted Average Duration of Defined Benefit Obligation	**8 Years**	**14 Years**
	8 Years	*16 Years*

Note – 33 : COMMITMENTS AND CONTINGENCIES

A Leases

(a) As lessee

The Company has entered into various material lease arrangements (including in substance lease arrangements) such as lands and buildings for purpose of its plants, facilities, offices, etc..,

The Employees Township at Cauvery Basin Refinery has been constructed on land area of thirty four acres and forty nine cents of land leased from a trust on five-year renewable basis.

Amount Recognized in Statement of Profit and Loss Account or Carrying Amount of Another Asset

(₹ in Crore)

Particulars	31-03-2022	31-03-2021
Depreciation recognized	6.27	5.64
Interest on lease liabilities	1.39	1.48
Expenses relating to short-term leases (leases more than 30 days but less than 12 months)	2.46	3.13
Variable lease payments not included in the measurement of lease liabilities	2.19	4.25
Total cash outflow for leases	12.02	14.15
Additions to ROU during the year	2.61	9.83
Net Carrying Amount of ROU at the end the year	13.49	17.15

The details of ROU Asset other than leasehold land included in PPE (Note 2) held as lessee by class of underlying asset is presented below :-

Current Year :

(₹ in Crore)

Asset Class	Items Added to RoU Asset as on 01.04.2021	Additions to RoU Asset during the Year	Depreciation Recognized During the Year	Net Carrying value as on 31.03.2022
Leasehold Land	8.42	0.94	1.50	7.86
Buildings Roads etc.	0.33	–	0.02	0.31
Plant & Equipment	1.11	–	1.11	–
Transport Equipments	7.29	1.67	3.64	5.32
Total	**17.15**	**2.61**	**6.27**	**13.49**

Note – 33 : COMMITMENTS AND CONTINGENCIES(Contd..)

Previous Year :

(₹ in Crore)

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

As per requirement of the standard, maturity analysis of Lease Liabilities have been shown as part of borrowings under Liquidity Risk of Note 36: Financial Instruments & Risk Factors.

Details of items of future cash outflows which the Company is exposed as lessee but are not reflected in the measurement of lease liabilities are as under;

(i) Variable Lease Payments

As per general industry practice, the Company incurs various variable lease payments which are based on rate, kms covered etc. and are recognized in profit or loss and not included in the measurement of lease liability.

(b) As lessor

(i) Operating Lease

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

(₹ in Crore)

Particulars	31-Mar-2022	31-Mar-2021
A. Lease rentals recognized during the period	30.62	30.06
B. Value of assets given on lease included in tangible assets		
– Gross Carrying Amount	9.99	9.63
– Accumulated Depreciation	1.41	1.13
– Depreciation recognized in the Statement of Profit and Loss	0.19	0.19

These relate to storage tankage facilities for petroleum products, buildings, plant and equipments given on lease. Asset class wise details have been presented under Note 2: Property, Plant & Equipments.

Maturity Analysis of Undiscounted Lease Payments to be received after the reporting date

(₹ in Crore)

Particulars	31-Mar-2022	31-Mar-2021
Less than one year	16.75	15.27
One to two years	15.16	14.38
Two to three year	15.92	15.11
Three to four years	16.74	15.89
Four to five years	17.52	16.70
More than five years	712.23	729.75
Total	**794.32**	**807.10**

B Contingent Liabilities

Contingent Liabilities amounting to ₹201.48 Crore (2021: ₹444.66 Crore) are as under:

(i) ₹ 28.03 Crore (2021: ₹ 26.61 Crore) being the demands raised by the Central Excise / Customs / Service Tax Authorities including interest of ₹ 12.26 Crore (2021: ₹ 11 Crore).

Note – 33 : COMMITMENTS AND CONTINGENCIES(Contd..)

(ii) ₹ 145.73 Crore (2021: ₹ 381.26 Crore) being the demands raised by the VAT/ Sales Tax Authorities and includes no interest (2021: Nil).

(iii) ₹ 20.67 Crore (2021: ₹ 28.93 Crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹ 8.41 Crore (2021: ₹ 7.77 Crore).

(iv) ₹ 7.05 Crore (2021: ₹ 7.86 Crore) in respect of other claims including interest of ₹ 1.27 Crore (2021: ₹ 1.17 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 ₹ 266.81 Crore (2021: ₹ 424.07 Crore).

(ii) Other Commitments

The Company has an export obligation to the extent of ₹ 147.02 Crore (2021: ₹ 147.02 Crore) on account of concessional rate of customs duty availed under EPCG license scheme on procurement of capital goods and the same is expected to be fulfilled by way of exports.

Note - 34 "Related Party Disclosures" in compliance with Ind-AS 24, are given below:

1. Relationship with Entities

A. Details of Holding Company

1) Indian Oil Corporation Limited (IOCL)

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

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
• Sale of Product and Services	**57194.25**	39814.53
• Dividend on Preference Shares	**33.25**	33.25
• EDP Maintenance	**3.08**	3.08
• Other Operating Income	**32.52**	31.82
• Purchase of Raw Material	**969.91**	681.13
• Purchase of Stock-in-Trade	**47.72**	39.94
• Purchase of Stores & Spares	**5.10**	4.94
• Payment towards License fee	**–**	9.81
• Canalising commission	**6.35**	6.00
• Vessel hiring charges	**84.68**	20.44
• Terminalling and Facilitation Charges	**6.00**	2.90
• Rental Expenditure	**3.18**	4.90
• Subscription Expenses	**0.30**	0.00
• Training Expenses	**0.03**	0.00
• Security Expenses	**–**	0.01
• Purchase of RLNG	**1355.02**	745.83
• Finance Cost - Unwinding of finance cost	**0.40**	0.40
• Capital Advances / (Liabilities)	**(4.31)**	(4.31)
• Revenue Advances	**0.16**	0.13
• Outstanding Receivables	**178.72**	114.56
• Other Liabilities - Land given on lease	**14.34**	14.74
• Other Non - current Assets - Land given on lease	**44.37**	30.24
• Outstanding payables		
Trade Payables	**1887.18**	1077.29
Preference Shares (at face value)	**500.00**	500.00

Note - 34 "Related Party Disclosures" in compliance with Ind-AS 24, are given below:(Contd..)

B. Details of Joint Ventures

i) Indian Additives Limited

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
• Investment	**11.83**	11.83
• Sale of Product	**29.65**	11.00
• Rental income	**0.58**	0.14
• Maintenance Expenses	**1.30**	–
• Dividend received	**5.92**	5.92
• Outstanding Payables	**1.30**	–
• Outstanding Receivables	**0.36**	0.76

ii) National Aromatics & Petrochemicals Corp. Limited

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
• Investments in Joint Venture Entities/ Associates	**0.03**	0.03
• Claims recoverable	**22.66**	22.66

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

C. Entities Over which KMP has significant influence

i) CPCL Educational Trust

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
• CSR Expenses	**0.00**	0.30

D. Associates of Holding Company

i) Indian Oiltanking Limited

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
• Outstanding payable	**4.76**	4.76

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

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

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

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

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

2) Key Managerial Personnel

A. Whole Time Directors / Company Secretary	B. Independent / Part time Non-Executive Directors (Government / IOCL/ NICO Nominee)
1) Shri S.N. Pandey (Upto 31.01.2021)	1) Shri Sanjiv Singh (Non - Executive Chairman) (Upto 30.06.2020)
2) Shri Arvind Kumar (w.e.f 27.08.2021)	2) Shri S M Vaidya (Non - Executive Chairman) (w.e.f 01.07.2020)
3) Shri Rajeev Ailawadi	3) Smt Perin Devi (Upto 23.11.2020)

Note - 34 "Related Party Disclosures" in compliance with Ind-AS 24, are given below:(Contd..)

A. Whole Time Directors / Company Secretary	B. Independent / Part time Non-Executive Directors (Government / IOCL/ NICO Nominee)
4) Shri R.Srikanthan (Upto 30.09.2020)	4) Shri D. Durai Ganesan (Upto 13.08.2021)
5) Shri. S.Krishnan	5) Smt. Sobha Surendran
6) Shri H. Shankar (w.e.f. 01.10.2020)	6) Shri Mohammad Bagher Dakhili
7) Shri P.Shankar	7) Shri Babak Bagherpour
	8) Shri M Narayana Rao
	9) Shri Amitabh Mathur
	10) Shri Mr. Deepak Srivastava (w.e.f 10.08.2021)
	11) Ms. Sukla Mistry (w.e.f. 16.11.2021)
	12) Shri Dr. C. K. Shivanna (w.e.f. 16.11.2021)
	13) Shri Ravi Kumar Rungta (w.e.f. 16.11.2021)
	14) Shri Manoj Sharma (Upto .09.11.2021)
	15) Shri Sukh Ram Meena (Upto .09.08.2021)

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

For the Year ended 31-Mar-2022

(₹ in Crore)

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termi-nation Benefits	Total Remu-neration	Sitting Fee	Outstanding loans/advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri Arvind Kumar	0.25	0.06	–	–	0.32	–	0.09
2) Shri Rajeev Ailawadi	0.63	0.10	–	–	0.73	–	–
3) Shri S.Krishnan	0.68	0.11	–	–	0.79	–	–
4) Shri H.Shankar	0.51	0.10	–	–	0.60	–	0.30
6) Shri P.Shankar	0.56	0.09	0.01	–	0.66	–	0.06
B. Independent / Government Nominee Directors#							
1) Shri. D.Durai Ganesan	–	–	–	–	–	0.02	–
2) Shri. Amitabh Mathur	–	–	–	–	–	0.05	–
3) Shri. Myneni Narayana Rao	–	–	–	–	–	0.05	–
4) Smt. Sobha Surendran	–	–	–	–	–	0.03	–
5) Shri. Ravi Kumar Rungta	–	–	–	–	–	0.00	–
6) Dr. C.K Shivanna	–	–	–	–	–	0.00	–
TOTAL	**2.63**	**0.46**	**0.01**	**–**	**3.10**	**0.15**	**0.45**

Sitting fees paid to Independent Directors

For the Year ended 31-Mar-2021

(₹ in Crore)

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termi-nation Benefits	Total Remu-neration	Sitting Fee	Outstanding loans/advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri S.N. Pandey	0.28	0.08	0.36	–	0.72	–	–
2) Shri Rajeev Ailawadi	0.42	0.09	0.06	–	0.57	–	–
3) Shri R. Srikanthan	0.22	0.04	0.44	–	0.70	–	–
4) Shri R.Srikanthan	0.46	0.10	–	–	0.56	–	0.02
5) Shri S. Krishnan	0.18	0.04	0.02	–	0.24	–	0.22
6) Shri P.Shankar	0.41	0.09	–	–	0.50	–	0.08
B. Independent / Government Nominee Directors#							
1) Shri. D.Durai Ganesan	–	–	–	–	–	0.05	–
2) Shri. Amitabh Mathur	–	–	–	–	–	0.05	–
3) Shri. Myneni Narayana Rao	–	–	–	–	–	0.04	–
4) Shri. Sobha Surendran	–	–	–	–	–	0.03	–
TOTAL	**1.97**	**0.44**	**0.88**	**–**	**3.29**	**0.17**	**0.32**

Note - 34 "Related Party Disclosures" in compliance with Ind-AS 24, are given below:(Contd..)

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-22		31-Mar-21	
			Contribution by Employer	Outstanding Payable	Contribution by Employer	Outstanding Payable
A	CPCL Employees Provident Fund	Provident Fund	24.05	2.00	28.25	2.00
B	CPCL Employees Superannuation Benefit Fund	Pension Scheme	11.52	–	11.05	–
C	CPCL Employees Group Gratuity Trust	Gratuity	23.59	0.00	14.28	26.43
D	Post Retirement Medical Benefit Trust	PRMB	8.17	0.00	41.68	11.55

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-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021	
Financial Assets					
Amortised Cost:					
Loans to employees	**71.55**	64.61	**52.92**	55.37	Level 2
Total	**71.55**	64.61	**52.92**	55.37	
Financial liabilities					
A. Borrowings:					
Amortised Cost:					
Non-Convertible Redeemable Debentures	**2802.12**	1994.35	**2818.63**	1941.08	Level 2
Lease obligation	**15.63**	18.99	**15.88**	19.56	Level 2
Preference Shares	**639.01**	605.76	**626.40**	600.00	Level 2
Term Loans from Oil Industry Development Board (OIDB)	**444.05**	531.38	**452.66**	536.50	Level 2
Total	**3900.81**	3150.48	**3913.57**	3097.14	

Notes:

1. Levels under Fair Value measurement hierarchy are as follows:

   (a) **Level 1** items fair valuation is based upon **market price quotation at each reporting date**

   (b) **Level 2** items fair valuation is based upon **Significant observable inputs like PV of future cash flows, MTM valuation, etc.**

   (c) **Level 3** items fair valuation is based upon **Significant unobservable inputs wherein valuation done by independent valuer.**

2. The management assessed that Trade Receivables, Cash and Cash Equivalents, Bank Balances, Deposit for Leave Encashment Fund, Recoverable from Employee Benefits Trusts, Other Non-derivative Current Financial Assets, Short-term Borrowings, Trade Payables, Floating Rate Loans and Other Non-derivative Current Financial Liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

3. The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Note – 35 : FAIR VALUES(Contd..)

Methods and assumptions

The following methods and assumptions were used to estimate the fair values at the reporting date:

Level 2 Hierarchy:

(i) **Derivative instruments at fair value through profit or loss viz.Foreign exchange forward contracts:** Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs are considered.

(ii) **Loans to employees, Loan to related parties, Security deposits paid and Security deposits received,Lease obligations:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities

(iii) **Non Convertible Redeemable Preference shares :** The fair value of Preference shares is estimated by discounting future cash flows.

(iv) **Term Loans from Oil Industry Development Board (OIDB):** Discounting future cash flows using rates currently available for similar type of borrowings (OIDB Borrowing rate) using exit model as per Ind AS 113.

Note – 36 : FINANCIAL INSTRUMENTS AND RISK FACTORS

Financial Risk Factors

The Company's principal financial liabilities, other than derivatives, comprise Borrowings, trade and other payables, security deposits and employee liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include loans & advances, trade and other receivables, short-term deposits and cash / cash equivalents that derive directly from its operations. The company's requirement of crude oil imports are canalized through its holding company, Indian Oil Corporation Limited. The derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that trading in derivatives are taken only to hedge the various risks that the company is exposed to and not for speculation purpose.

The Company is exposed to a number of different financial risks arising from natural business exposures as well as its use of financial instruments including market risk relating to interest rate, commodity prices, foreign currency exchange rates and equity price, credit risk and liquidity risk.

To ensure alignment of Risk Management system with the corporate and operational objective and to improve upon the existing procedure, the Executive Committee of the company constituted a Committee comprising of officials from various functional areas to identify the risks in the present context, prioritize them and formulate proper action plan for implementation. The Committee has formulated the Risk Management Policy.

The Action Taken Report on the Risk Management Policy for the year 2021-22 was reviewed by the Risk Management Committee, Audit Committee and Board of Directors at their meetings held on 27.04.2022.

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

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The major components of market risk are interest rate risk, foreign currency risk, commodity price risk and other price risks etc. Financial instruments affected by market risk include Borrowings, Deposits and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2022 and 31 March 2021

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions, and other non-financial assets.

The following assumptions have been made in calculating the sensitivity analysis:

– The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at 31 March 2022 and 31 March 2021 including the effect of hedge accounting.

Note – 36 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd..)

– 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 2022.

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 2022, approximately 92% of the Company's Long term borrowings are at fixed rate of interest (31 March 2021: 87%).

The sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, on floating rate borrowings is as follows:

Currency	Increase / Decrease in basis points	Effect on profit before tax (₹ in Crore)	Increase / Decrease in basis points	Effect on profit before tax (₹ in Crore)
	31-Mar-22		31-Mar-21	
INR	+50	(1.35)	+50	(0.49)
US Dollar	+50	–	+50	(1.83)
INR	–50	1.35	–50	0.49
US Dollar	–50	–	–50	1.83

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

2) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and Borrowings.

The Company manages its foreign currency risk through combination of natural hedge, hedging undertaken on occurrence of pre-determined triggers as per the Risk management policy. The hedging is undertaken through forward contracts.

The sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant and the impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities is tabulated below. The Company's exposure to foreign currency changes for all other currencies is not material.

Currency	Increase / Decrease in %	Effect on profit before tax (₹ in Crore)	Increase / Decrease in %	Effect on profit before tax (₹ in Crore)
	31-Mar-22		31-Mar-21	
US Dollar	+5%	(224.94)	+5%	(127.28)
	-5%	224.94	–5%	127.28

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.

Note – 36 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd..)

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 2022 and 31 March 2021 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-2022						
Borrowings	5237.69	137.33	1390.47	2457.22	–	9222.70
Lease obligations	0.00	1.10	3.37	8.60	2.56	15.63
Trade payables	287.59	2952.47	–	–	–	3240.06
Other financial liabilities	517.84	–	–	6.60	–	524.44
	6043.11	**3090.90**	**1393.84**	**2472.42**	**2.56**	**13002.83**
Year ended 31-Mar-2021						
Borrowings	155.02	5508.17	480.14	3004.64	–	9147.97
Lease obligations	0.00	1.49	4.19	13.31	–	18.99
Trade payables	248.16	1633.82	–	–	–	1881.98
Other financial liabilities	626.66	–	–	6.72	–	633.38
	1029.84	**7143.48**	**484.33**	**3024.67**	**–**	**11682.32**

Note – 36 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd..)

D. Excessive risk concentration

Substantial portion of the Company's sales is to the Holding Company, Indian Oil Corporation Limited. Consequently, trade receivables from IOCL are a significant proportion of the Company's receivables. Since the operations are synchronised with those of the Holding Company, for optimal results, the same does not present any risk.

E. Collateral

As the Company has been rated investment grade by various rating agencies, there has been no requirement of submitting any collateral for booking of derivative contracts. The Company undertakes derivatives contract only with those counterparties that have credit rating above the internally approved threshold rating. Accordingly, the Company does not seek any collaterals from its counterparties.

Note – 37 : CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company monitors capital using debt equity ratio, which is borrowings divided by Equity. The Company's strategy is to keep the debt equity ratio in the range of 2:1 and 1:1 under normal circumstances. The Company also includes accrued interest in the borrowings for the purpose of capital management. The Debt-Equity ratio which impacted due to the lower product cracks arising out of the CoVID-19 situation has improved during the year. Need for capital infusion, would be reasssed based on the turnaround of the situation.

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
Borrowings	9222.70	9147.97
Total Borrowings	**9222.70**	**9147.97**
Equity Share Capital	148.91	148.91
Reserves and Surplus	2837.82	1462.29
Equity	**2986.73**	**1611.20**
Debt Equity Ratio	**3.09 : 1**	**5.68 : 1**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2022 and 31st March 2021

Note – 38 : RESEARCH AND DEVELOPMENT COSTS

Research and Development Expenses of ₹ 1.46 Crore(2021: ₹ 0.62 Crore) of capital expenditure incurred and ₹ 5.69 Crore (2021 ₹ 5.64 Crore) of recurring expenditure have been accounted for in the Statment of Profit and Loss during the year. Detailed break up of total expenditure is as under:

A. CAPITAL EXPENSES (PROPERTY, PLANT & EQUIPMENT)

(₹ in Crore)

Asset Block	Gross Block as at 1st Apr 2021	Additions during the year	Transferred from CWIP	"Transfer/ Deduction/ Disposal during the year"	Gross Block as at 31st Mar 2022	Work-in-Progress as at 1 Apr 2021	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31st Mar 2022	Total Capital Expenditure
1	2	3	4	5	6 = (2+3+4-5)	7	8	9	10 = (7+8-9)	11=(3+8)
Property, Plant & Equipment										
Plant & Equipment	17.02	0.95	–	1.57	**16.40**	–	–	–	–	**0.95**
Office Equipment	0.30	0.51	–	–	**0.81**	–	–	–	–	**0.51**
Furniture & Fixtures	0.28	–	–	–	**0.28**	–	–	–	–	**–**
Total	**17.60**	**1.46**	**–**	**1.57**	**17.49**	**–**	**–**	**–**	**–**	**1.46**

B. RECURRING EXPENSES

(₹ in Crore)

Sl. No	Particulars	31-Mar-22	31-Mar-21
1	Consumption of Stores, Spares & Consumables	0.57	0.25
2	Repairs & Maintenance		
	(a) Plant & Equipment	0.25	0.24
3	Payment to and Provisions for employees	4.05	4.67
4	Other Expenses	0.82	0.48
	Total	**5.69**	**5.64**

C. TOTAL RESEARCH EXPENSES

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
Capital Expenditure	1.46	0.62
Recurring Expenditure	5.69	5.64
Total	**7.15**	**6.26**

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

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
Surplus brought forward from previous year	1.96	–
(i) Amount required to be spent by the company during the year	–	–
(ii) Amount of expenditure incurred	**9.73**	1.96
(iii) Shortfall at the end of the year	–	–
(iv) Total of previous year shortfall	–	–
(v) Reasons for shortfall	–	–
(vi) Details of related party transactions	–	–
(vii) Movement in the provision during the year	0.11	
Surplus carried forward to the Next year	**11.70**	1.96

(₹ in Crore)

Nature of CSR activities	31-Mar-22			31-Mar-21		
	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	7.07	0.09	7.17	0.61	–	0.61
Swachh Bharat	0.25	0.01	0.25	0.05	–	0.05
Education/employment vocational skills	1.99	–	1.99	1.27	–	1.27
Administration Expenses, training etc.	0.25	–	0.25	0.00	–	0.00
Other expenses	0.06	0.01	0.07	0.03	–	0.03
Total Expenses (ii)	**9.62**	**0.11**	**9.73**	**1.96**	**–**	**1.96**
Grand Total (i) and (ii)	**9.62**	**0.11**	**9.73**	**1.96**	**–**	**1.96**

*Provisions made for liabilities incurred

(vii) **Movement in the provision during the year:**

(₹ in Crore)

Particulars	31-Mar-22	31-Mar-21
Opening Balance	–	–
Provided during the year	0.11	–
Paid during the year	–	–
Closing Balance	**0.11**	**–**

Note – 40 : DISCLOSURE ON GOVERNMENT GRANTS

A **Revenue Grants**

1 Stipend to apprentices under NATS scheme

The company has received grant of ₹ 0.67 Crore (2021: ₹ 0.09 crore) in respect of stipend paid to apprentices registered under National Apprenticeship Training Scheme (NATS) and the same has been accounted on net basis against training expenses.

2 EPCG Grant

Grant recognised in respect of duty waiver on procurement of capital goods under EPCG scheme of Central Government which allows procurement of capital goods including spares for pre production and post production at zero duty subject to an export obligations of 6 times of the duty saved on capital goods procured.The unamortized capital grant amount as on March 31, 2022 is ₹ 8.29 Crore (2021: ₹ 2.29 Crore). The company recognised Nil Crore (2021: ₹ 1.68 Crore) in the statement of profit & loss account as amortisation of revenue grant. The company expects to meet the export obligations in line with the scheme.

Note – 40 : DISCLOSURE ON GOVERNMENT GRANTS (Contd..)

3 Grant in respect of Revenue expenditure for research projects

During the year, the Company has received Nil revenue grant (2021: ₹ 0.09 Crore) in respect of meeting out revenue expenditure such as manpower, consumable etc for research project undertaken with Centre of High Technology under the Ministry of Petroleum & Natural Gas and the same has been reckoned on net basis in expenses.

B Capital Grants

1 Capital Grant in respect of interest subsidy

The Company has received capital grant in the form of interest subsidy on loans taken from OIDB. The unamortized capital grant amount as on March 31, 2022 is ₹ 4.99 crore (2021:₹ 6.66 crore). During the year, the company has recognised ₹ 1.67 crore (2021: ₹ 1.31 crore) in the statement of profit and loss as amortisation of capital grants

Note – 41 : EXPOSURE TO FINANCIAL DERIVATIVES

Financial and Derivative Instruments:

1 All derivative contracts entered into by the Company are for hedging its foreign currency relating to underlying transactions and firm commitments and not for any speculative or trading purposes.

2 The company has no outstanding forward contract as at 31st March 2022(2021 : NIL)

3 Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2022 is given below:

(₹ in Crore)

Sl. No	Particulars	As on 31-Mar-2022 Aggregate amount	As on 31-Mar-2021 Aggregate amount
1	Unhedged- Payables	**5077.78**	2694.40
2	Unhedged- Receivables	**579.02**	148.90

Refer Note - 10A - Offsetting Financial Assets and Financial Liabilities

Note – 42 : REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company is in the business of refining crude oil and it earns revenue primarily from sale of petroleum products and others. Revenue is recognized when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. In determining the transaction price for the sale of products, the company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Generally, Company enters into contract with customers for sale on EX-MI basis. Majority of Company's sales are to Oil Marketing Companies and Downstream industries for which credit period is less than 1 year. Direct sales to other customers are generally on cash and carry basis. Revenue is recognised when the goods are delivered to the customer by adjusting the amounts deposited by customers, if any.

Bifurcation of Total Revenue into Revenue from contract with customers and other sources of revenue as per requirement of Ind AS 115 is given below;

(₹ in Crore)

Particulars	2021-22	2020-21
Total Revenue	60468.38	41856.90
Revenue from contract with customers	60402.02	41813.95
Revenue from other contracts / from others	66.36	42.95

No impairment of losses on receivables has been recognised during the current and previous year.

Note – 43 : STATUTORY GROUP INFORMATION

(₹ in Crore)

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	consolidated other comprehensive income	₹ in Crore	As % of total comprehensive income	₹ in Crore
Parent								
Chennai Petroleum Corporation Limited								
Balance as at 31st March 2022	**93.36%**	**2788.42**	**98.85%**	**1336.44**	**98.89%**	**23.24**	**98.85%**	**1359.68**
Balance as at 31st March 2021	88.31%	1422.83	90.06%	231.71	98.87%	(5.27)	89.88%	226.44
Joint ventures (investment as per the equity method of accounting)								
Indian								
1 Indian Additives Limited								
Balance as at 31st March 2022	**6.98%**	**208.44**	**1.15%**	**15.60**	**1.11%**	**0.26**	**1.15%**	**15.86**
Balance as at 31st March 2021	12.32%	198.51	9.94%	25.57	1.13%	(0.06)	10.13%	25.51
2 National Aromatics and Petrochemical Corporation Limited								
Balance as at 31st March 2022	**–0.34%**	**(10.13)**	**0.00%**	**(0.01)**	**–**	**–**	**–**	**–**
Balance as at 31st March 2021	–0.63%	(10.13)	–	(0.01)	–	–	–	–
Total								
Balance as at 31st March 2022	**100.00%**	**2986.73**	**100.00%**	**1352.03**	**100.00%**	**23.50**	**100.00%**	**1375.53**
Balance as at 31st March 2021	100.00%	1611.21	100.00%	257.27	100.00%	(5.33)	100.00%	251.94

Note – 44 : OTHER DISCLOSURES

1 **Details of impairment loss in respect of Cauvery Basin Refinery**

The 9 MMTPA refinery project at Cauvery Basin Refinery,Nagapattinam was approved by the Board of Directors of Indianoil Corporation, the holding company in January 2021 for implementation through a Separe Joint Venture. During the year, NITI Aayog has accorded approval for implementation of the project through a separate Joint Venture. Accordingly, pending the incorporation of the Joint Venture, the actual expenditure and the associated liabilities incurred on the project is accounted as asset/ Liability included in disposal group held for Transfer respectively. This group consists of CWIP, Intagible assets under development, advances for capital expenditure and liability for capital expenditure amounting to ₹ 358.86 Crore, ₹ 259.36 Crore, ₹ 0.24 Crore and ₹ 25.06 Crore respectively as at 31st March 2022. The capital commitment as at 31st March 2022 for the group is ₹ 1545.31 Crore in respect of this project.

2 The Company has refineries at two locations viz., Manali and Nagapattinam (Cauvery Basin Refinery - CBR). The operations of the CBR unit have been stopped from 01.04.2019. Accordingly, the value in use was negative and, the recoverable value of the assets was reviewed and it was estimated that there would not be any recoverable value for the same and impairment loss was recognised.

Some of the Assets to the extent of gross block of ₹ 25.80 crore and accumulated Depreciation of ₹ 3.16 crore in respect of which impairment to the extent of ₹ 22.64 crore was provided, has been dismantled and scrapped during the year. Impairment provision of ₹ 100.02 crore is continued in respect of the balance Assets.

Note – 44 : OTHER DISCLOSURES (Contd..)

3 Tax expense for the previous year includes ₹ 693.76 crore on exercise of option under said section 115BAA of the Income Tax Act, 1961 to avail the lower rate . Based on receipt of Final Assessment order under Direct Tax Vivad Se Vishwas Act, 2020, tax expense of ₹ 11.35 crore has been reversed during the year.

4 As part of CSR activities, CPCL sponsors polytechnic college, for which twenty acres of land of the company has been leased to the CPCL Educational Trust for a period of 50 years.

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

(b) The company has valid title for all immovable properties. However, in respect of 186.93 acres of land allotted by Government of Tamil Nadu (classified as Poramboke) assignment deed is yet to be received. Out of this, value is to be determined by Government of Tamilnadu in respect of 135.93 acres.

(c) Pending decision of the Government/Court, additional compensation, if any, payable to the landowners and the Government for certain lands acquired, is not quantifiable, and hence not considered.

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

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

8 Other disclosures as required under Schedule III to the Companies Act, 2013

(i) The quarterly statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.

(ii) The company has following transactions/balances with companies, struck off under Section 248 of the Companies Act, 2013 /Section 560 of Companies Act, 1956.

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at current period ₹ in Crore	Relationship with the struck off company	Balance outstanding as at previous period ₹ in Crore	Relationship with the struck off company
Skpei engineerng works private limited	Trade payables	0.003	Not a related party	0.003	Not a related party
Arun services private limited	Trade payables	0.005		0.000	
Polycab wires and cables private limited	Trade payables	0.000		0.000	
Alliance aviation private limited	Trade payables	0.000		0.000	
Mcog engineering and fabrication private limited	Trade payables	0.000		0.000	
The national sugar mills ltd	Customer Advances	0.004		0.003	
Sri anjaneya agro tech private limited	Customer Advances	0.000		0.000	
Total		0.012		0.006	

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

Note – 45 : STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES (FORM AOC-I)

Part A : Subsidiaries

Not applicable as there are no subsidiaries

Part "B" : Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures (FORM AOC-I)

(₹ in Crore)

Sl No.	Name of the Associates / Joint Ventures	Indian Additives Limited	National Aromatics and Petrochemical Corporation Limited
1	Latest Audited Balance Sheet Date	31-Mar-2022	31-Mar-2022
2	Date on which the Associate or Joint Venture was associated or acquired	13-Jul-89	10-May-89
3	Shares of Associate / Joint Ventures held by the company on the year end		
	i) No.	1183401	25000
	ii) Amount of Investment in Associates / Joint Ventures	11.83	0.03
	iii) Extent of Holding	50.00%	50.00%
4	Description of how there is significant influence	Joint venture	Joint venture
5	Reason why the associate / Joint ventures is not consolidated	Consolidated	Consolidated
6	Net worth attributable to shareholding as per latest audited balance sheet	208.44	(10.13)
7	Profit / (Loss) for the year		
	I) Considered in Consolidation	15.59	(0.01)
	II) Not Considered in consolidation	15.59	(0.01)

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

for and on behalf of Board of Directors

per P. Ranga Ramanujam
Partner
Membership No. 022201

(Arvind Kumar)
Managing Director
DIN - 09224177

(Rajeev Ailawadi)
Director (Finance)
DIN - 07826722

(P.Shankar)
Company Secretary
ACS -7624

Place : Chennai
Date : 27-Apr-2022

भारतीय लेखापरीक्षा एवं लेखा विभाग
महानिदेशक वाणिज्यिक लेखापरीक्षा का कार्यालय, चेन्नै

Indian Audit and Accounts Department
Office of the Director General of Commercial Audit, Chennai

सत्यमेव जयते

No: DGCA/CA-I/4-481/2022-23/ 154 **Date: 28.06.2022**

To

The Managing Director
Chennai Petroleum Corporation Limited
Manali, Chennai – 600 068

Sir,

Sub: 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 2022

I forward herewith the 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 2022. Further five (5) copies of the Printed Annual Report (2021-22) may kindly be furnished to this office.

Receipt of this letter may kindly be acknowledged.

Yours faithfully,

(Devika Nayar)
Director General of Commercial Audit 1/9

Encl: As stated.

इंडियन ऑयल भवन, स्तर 2, 139, महात्मा गाँधी मार्ग, चेन्नै - 600 034
Indian Oil Bhavan, Level - 2, 139, Mahatma Gandhi Road, Chennai - 600 034
Tel. : 044-28330147 Fax : 044-28330142/45 e-mail : pdcachennai@cag.gov.in

COMMENT 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 2022

The preparation of financial statements of Chennai Petroleum Corporation Limited for the year ended 31 March 2022 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 27 April 2022.

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 2022 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under Section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

(Devika Nayar)
Director General of Commercial Audit 2/9

Place: Chennai
Date:28.06.2022

Notes

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Inauguration of CPCL Creche by Managing Director (In-charge) / Director Finance

Visit of Hon'ble Chairman of National Commission for Safai Karamcharis to CPCL

Meeting of Petroleum Secretary with Directors and officials at Manali Refinery

चेन्नई पट्रोलियम कॉर्पोरेशन लिमिटेड

(भारत सरकार का उद्योग और
इंडियनऑयल की ग्रुप कंपनी)

Chennai Petroleum Corporation Limited

(A Govt. of India Enterprise and
a group company of IndianOil)

Regd. Off.: New No: 536, Anna Salai, Teynampet, Chennai - 600 018.
Visit us at: www.cpcl.co.in