



CHENNAI PETROLEUM CORPORATION LIMITED
(A group company of Indian Oil)
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CIN - L40101TN1965GOI005389

STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in crore)

Sl. No	Particulars	Standalone				Consolidated		
		THREE MONTHS ENDED		YEAR ENDED		YEAR ENDED		
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
		Unaudited	Unaudited	Unaudited	Audited	Audited	Audited	Audited
A. FINANCIAL								
1	Income from Operations							
	a) Sales/Income from operations (Inclusive of excise duty)	9478.14	10620.07	9164.76	40585.90	34953.41	40585.77	34953.27
	b) Other Operating Income	8.74	3.30	6.93	21.61	17.17	21.61	17.17
	Total Income from Operations	9486.88	10623.37	9171.69	40607.51	34970.58	40607.38	34970.44
2	Expenses							
	a) Cost of materials consumed	5749.33	6235.32	4852.14	24255.78	22754.04	24255.78	22754.04
	b) Purchase of stock-in-trade	59.62	15.06	42.29	159.57	292.68	159.57	292.68
	c) Changes in inventories of finished goods, work-in-progress and stock in trade (Increase)/decrease	253.14	184.93	169.58	105.03	208.57	105.54	208.44
	d) Employee benefit expense	222.25	94.60	115.23	512.88	357.00	512.88	357.00
	e) Depreciation and Amortisation expense	77.97	66.41	74.67	278.63	273.69	278.63	273.69
	f) Impairment of Non Current Assets	61.79	-	-	61.79	-	61.79	-
	g) Excise Duty	2658.99	3356.68	3374.58	12915.98	9124.81	12915.98	9124.81
	h) Other Expenses	165.20	198.28	210.73	720.07	885.84	720.07	885.84
	Total Expenses	9248.29	10151.28	8839.22	39009.73	33896.63	39010.24	33896.50
3	Profit / (Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	238.59	472.09	332.47	1597.78	1073.95	1597.14	1073.94
4	Other Income	15.50	2.70	9.59	40.05	36.40	34.13	30.48
5	Profit / (Loss) from ordinary activities before Finance Costs and Exceptional items (3+4)	254.09	474.79	342.06	1637.83	1110.35	1631.27	1104.42
6	Finance costs	75.20	64.81	77.41	272.78	351.72	272.78	351.72
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	178.89	409.98	264.65	1365.05	758.63	1358.49	752.70
8	Share of Profit of Joint Ventures						27.63	25.61
9	Exceptional items - Income / (Expenses)	-	-	-	-	-	-	-
10	Profit / (Loss) from ordinary activities before tax (7+8+9)	178.89	409.98	264.65	1365.05	758.63	1386.12	778.31
11	Tax Expense (Net of MAT Credit)	8.08	118.89	16.77	335.30	16.77	335.30	16.77
12	Net Profit / (Loss) for the period (10-11)	170.81	291.09	247.88	1029.75	741.86	1050.82	761.54
13	Other Comprehensive Income /(Expense) (after tax)	(5.68)	-	(1.57)	(5.68)	(1.57)	(5.68)	(1.64)
14	Total Comprehensive Income for the period (12+13)	165.13	291.09	246.31	1024.07	740.29	1045.14	759.90
15	Paid-up Equity Share Capital (Face value ₹ 10/- each)	149.00	149.00	149.00	149.00	149.00	149.00	149.00
16	Reserves excluding Revaluation Reserves (as per balance sheet)				3164.80	2212.43	3292.10	2319.85
17	Earnings Per Share (₹) (not annualised) (Basic and Diluted) (Face value ₹ 10/- each)	11.47	19.55	16.65	69.15	49.82	70.57	51.14
B. PHYSICAL								
	- Crude Throughput (in MMT)	2.086	2.598	2.832	10.256	9.644		

Also Refer accompanying notes to the Financial Results

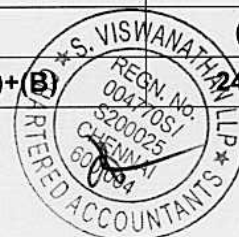


Notes:

1. The above results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at the respective meetings held on 15th May 2017.
2. The Board of Directors has recommended a dividend of 6.65% on the paid-up Preference Capital of the company, representing ₹ 0.665 per preference share and 210% on the paid-up Equity Capital of the company, representing ₹ 21 per equity share.
3. The Audited Accounts are subject to supplementary audit by the Comptroller and Auditor General of India under section 143(6)(a) of Companies Act, 2013.
4. The company operates only in one segment, i.e, Petroleum Sector. As such reporting is done on a single segment basis.
5. Average Gross Refining Margin for the period April - March 2017 is US\$ 6.05 per bbl (April – Mar 2016: US \$ 5.27 per bbl)
6. In line with the scheme formulated by Petroleum Planning and Analysis Cell (PPAC), the company has received Nil discount for the period April - March'2017. Such discount of ₹ 173.22 crore for the period April – March '2016 received from Oil and Natural Gas Corporation Limited on crude oil purchased was passed on as discount on products sold to Indian Oil Corporation Limited. Accordingly, gross sales and consumption of raw-materials are net of the like amounts.
7. The company adopted Indian Accounting Standard ("Ind-AS") and accordingly these financial results have been prepared in accordance with the recognition and measurement principles of Ind-AS prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder. The date of transition to Ind-AS is 01.04.2015. The impact of transition has been accounted for in opening reserves as on 01.04.2015 and the comparative periods have been restated accordingly.
8. The reconciliation of Net Profit / (Loss) as previously reported (referred to as "Previous GAAP") and the total comprehensive income/(loss) detailing the items of Income/(Expense) as per Ind-AS is given below –

₹ crore

Particulars	Quarter ended 31.03.2016	Year ended 31.03.2016
Net Profit as per Previous GAAP (Indian GAAP)	265.59	770.68
Fair Valuation of Derivative Contracts	(0.98)	(0.32)
Effect for spares capitalised as Property, Plant & Equipment	0.04	9.65
Effect of embedded lease	0.48	1.93
Effect of classifying Preference Share Capital as Financial liability *	(19.90)	(41.55)
Depreciation impact on accounting for EPCG benefits as 'Grant related to income'	(0.16)	(0.16)
Actuarial (gain)/loss on Defined Benefit Plans recognised in Other Comprehensive Income (OCI)	1.57	1.57
Others	1.24	0.06
Tax impact on above	-	-
Net Profit for the Period as per Ind AS (A)	247.88	741.86
Other Comprehensive Income		
Actuarial (gain)/loss on Defined Benefit Plans	(1.57)	(1.57)
Tax impact on above	-	-
Other Comprehensive Income (after tax) (B)	(1.57)	(1.57)
Total Comprehensive Income under Ind AS (A)+(B)	246.31	740.29



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9. The reconciliation of equity as previously reported (referred to as "Previous GAAP") and the equity as per Ind-AS is as per the table below:

₹ crore

Particulars	As on 31.03.2016
Share Capital plus Reserves and Surplus as per previous GAAP (Indian GAAP)	3296.67
Preference Share Capital classified as Financial Liability*	(1000.00)
Proposed dividend and Dividend Distribution Tax (DDT) for FY 2015-16 reversed	113.24
Preference dividend (including DDT) considered as Finance cost	(41.54)
Others	(6.94)
Equity as per Ind AS	2361.43

* 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. Correspondingly, in line with the requirements of Ind AS 32, pending the approval of shareholders, proportionate 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 at the end of the year would be applicable.

10. Other disclosures as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Sl. No.	Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
(i)	Credit Rating	CRISIL AAA(Stable)	CRISIL AAA(Stable)
(ii)	Asset Cover available	1.60 times	1.51 times
(iii)	Debt Equity Ratio	1.66:1	1.93:1
(iv)	Debt Service Coverage Ratio {Profit After Tax + Finance Cost + Depreciation} / { Finance Cost + Principal Repayment of Long Term Debt}	5.71 times	3.85 times
(v)	Interest Service Coverage Ratio {Profit Before Tax + Finance Cost + Depreciation} / {Finance Cost}	7.03 times	3.94 times
(vi)	Outstanding Redeemable Preference Shares	₹ 1000.00 crore	₹ 1000.00 crore
(vii)	a) Debenture Redemption Reserve b) Capital Redemption Reserve	₹ 200.00 crore ₹ 400.00 crore	₹ 150.00 crore ₹ 200.00 crore
(viii)	Net Worth {(Paid up share capital + Other Equity (including OCI)}	₹ 3313.80 crore	₹ 2361.43 crore
(ix)	Paid up Debt Capital / Outstanding Debt (Bonds / Debentures)	₹ 1000.00 crore	₹ 1000.00 crore

(x) The details of Interest / Principal payment in respect of non-convertible debt securities (listed) is given below:

Debentures	Previous Due Date			Next Due Date	
	Interest	Principal	Status	Interest	Principal
Non-Convertible Debentures(Series – II)	10.01.2017	NA	Paid	10.01.2018	10.01.2019

11. The figures of the last quarter are the balancing figures between the audited figures of the financial year and the published results upto the third quarter of the respective financial years. Hence, the results for the last quarter are reported as unaudited.
12. During the quarter, provision for impairment of ₹ 61.79 Cr, has been reckoned in respect of Cauvery Basin Refinery in accordance with Ind As - 36 "Impairment of Assets"

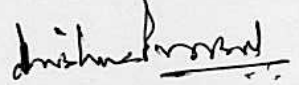
13. Employees cost includes an estimated provision of ₹ 110 Cr (inclusive of one time impact on changes/impact on retirement benefits) towards pay revision due from 01.01.2017 pending finalisation of revision in pay and benefits



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14. The Consolidated Financial Results have been prepared in line with the requirements of Indian Accounting Standards (Ind AS) – 110 "Consolidated Financial Statements , Indian Accounting Standards (Ind AS) - 111 "Joint arrangements".
15. Figures have been re-grouped/recast wherever necessary.

For and on behalf of the Board of Directors



S. Krishna Prasad
DIRECTOR (FINANCE)
DIN No: 03065333

Place : Chennai
Date : May 15, 2017



Statement of Assets and Liabilities

(₹ in crore)

Sl. No.	Particulars	Standalone		Consolidated	
		As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
		Audited	Audited	Audited	Audited
A	ASSETS				
1	Non-current assets				
	(a) Property, plant and equipment	3877.83	4114.04	3877.83	4114.04
	(b) Capital work-in-progress	2756.61	1673.09	2756.61	1673.09
	(c) Intangible assets	5.00	5.44	5.00	5.44
	(d) Intangible assets under development	5.97	5.97	5.97	5.97
	(e) Investments in Joint Ventures	11.83	11.83	139.90	119.38
	(f) Financial assets				
	(i) Investments	0.11	0.11	0.11	0.11
	(ii) Loans	32.94	35.56	32.94	35.56
	(iii) Others	47.41	46.83	47.41	46.83
	(g) Other non-current assets	97.50	92.28	97.50	92.28
	Sub Total - Non-Current Assets	6835.20	5985.15	6963.27	6092.70
2	Current assets				
	(a) Inventories	3207.13	3174.83	3207.06	3175.26
	(b) Financial assets				
	(i) Trade receivables	1040.40	761.57	1039.70	761.01
	(ii) Cash and cash equivalents	0.26	0.09	0.26	0.09
	(iii) Other bank balances	16.67	38.77	16.67	38.77
	(iv) Loans	24.88	28.03	24.88	28.03
	(v) Other Financial Assets	7.21	26.26	7.21	26.26
	(c) Current tax assets (Net)	-	8.18	-	8.18
	(d) Other current assets	363.82	308.79	363.82	308.79
	Sub Total - Current Assets	4660.37	4346.52	4659.60	4346.39
	Total Assets	11495.57	10331.67	11622.87	10439.09
B	EQUITY AND LIABILITIES				
1	Equity				
	(a) Share capital	149.00	149.00	149.00	149.00
	(b) Other Equity	3164.80	2212.43	3292.10	2319.85
	Sub Total - Equity	3313.80	2361.43	3441.10	2468.85
2	LIABILITIES				
	Non-current liabilities				
	(a) Financial liabilities				
	(i) Borrowings	2324.27	2003.34	2324.27	2003.34
	(b) Provisions	133.15	50.98	133.15	50.98
	(c) Deferred Tax Liabilities (Net)	24.25	-	24.25	-
	(d) Other non current liabilities	40.38	30.87	40.38	30.87
	Sub Total - Non-Current Liabilities	2522.05	2085.19	2522.05	2085.19
3	Current liabilities				
	(a) Financial liabilities				
	(i) Borrowings	3173.44	2560.48	3173.44	2560.48
	(ii) Trade Payables	1643.86	2468.64	1643.86	2468.64
	(iii) Other financial liabilities	433.09	363.03	433.09	363.03
	(b) Other current liabilities	254.66	418.88	254.66	418.88
	(c) Provisions	136.59	74.02	136.59	74.02
	(d) Current tax liabilities (Net)	18.08	-	18.08	-
	Sub Total - Current Liabilities	5659.72	5885.05	5659.72	5885.05
	Total Equity and Liabilities	11495.57	10331.67	11622.87	10439.09

BY ORDER OF THE BOARD

S. Krishna Prasad

S. Krishna Prasad
DIRECTOR (FINANCE)
DIN: 03065333

Place: Chennai
Date : May 15, 2017



FORM A

(FOR AUDIT REPORT WITH UNMODIFIED OPINION AS REQUIRED UNDER REGULATION 33(3)(d) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

1.	Name of the Company :	CHENNAI PETROLEUM CORPORATION LIMITED
2.	Annual financial statements for the year ended	31 st March 2017
3.	Type of Audit observation	Standalone Financial Statements - Un Modified Consolidated Financial Statements - Un Modified
4.	Frequency of observation	Not Applicable



(Gautam Roy)
Managing Director



(S. Krishna Prasad)
Director (Finance)



(Mrutunjay Sahoo)
Chairman Audit Committee

STATUTORY AUDITORS

R. SUBRAMANIAN AND COMPANY

Chartered Accountants
FRN: 004137S / S200041



R. Rajaram
Membership No.025210



Place : Chennai
Date : 15th May 2017

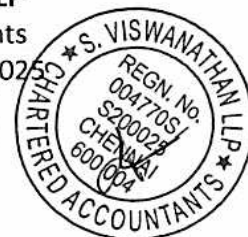
S. VISWANATHAN LLP

Chartered Accountants
FRN: 004770S / S200025



15/05/17

V C Krishnan
Membership No.022167



R. SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
New No.6, Old No.36,
Krishnaswamy Avenue,
Luz, Mylapore,
Chennai – 600 004.

S. VISWANATHAN LLP
Chartered Accountants
No.17, Bishop Wallers
Avenue (West)
C.I.T Colony, Mylapore,
Chennai – 600 004.

INDEPENDENT AUDITORS' REPORT

To

The Members of Chennai Petroleum Corporation Limited
Chennai

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying standalone IND AS financial statements of Chennai Petroleum Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS 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 IND AS financial statements that give a true and fair view of the state of affairs(financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) prescribed 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 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 standalone IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone IND AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the standalone IND AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone IND AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone IND AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone IND AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone IND AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone IND AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the IND AS,

- a) of the state of affairs (financial position) of the Company as at 31st March, 2017,
- b) its profit/loss (financial performance including other comprehensive income),
- c) its cash flows and the changes in equity for the year ended on that date.

OTHER MATTERS

The comparative financial information of the Company on the transition date opening balance sheet as at 1st April 2015 included in these standalone IND AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2015 dated 23rd May 2015 expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the IND AS, which have been audited by us.

Our opinion is not modified in respect of these matters.



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

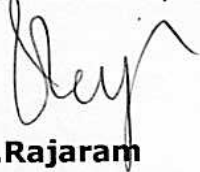
1. As required under section 143(5) of the Act, 2013, we give in the Annexure A of our report on the directions/sub-directions issued by the Comptroller and Auditor General Of India.
2. As required by the Companies (Auditor's Report) Order, 2016 ("The Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure B statement on the matters specified in paragraphs 3 and 4 of the Order.
3. As required by section 143(3) of the Act, 2013, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement and statement of changes in equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone IND AS Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act.
 - e) Clauses referred to section 164(2) of the Act do not apply to directors of Government Companies as per the notification.
 - f) With respect the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in Annexure C.
 - g) 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 Standalone IND AS Financial Statements (Refer Note 33 to the Standalone IND AS Financial Statements).
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company; and



- (iv) The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and the same were in accordance with the books of accounts maintained by the company.

For R.Subramanian and Company LLP

Chartered Accountants
FRN: 004137S/S200041



R.Rajaram

Partner

Membership No: 025210



For S.Viswanathan LLP

Chartered Accountants
FRN: 004770S/S200025



V.C.Krishnan

Partner

Membership No: 022167



Place: Chennai

Date: 15th May 2017

Annexure- A to Independent Auditors' Report

The Annexure referred to in paragraph 1 of Our Report of even date to the members of Chennai Petroleum Corporation Limited on the accounts of the Company for the year ended March 31, 2017.

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

- a) The Company is in possession of 186.86 acres of Land allotted by Government of Tamil Nadu (classified as Poramboke) for which Assignment deed is yet to be received.
- b) There were no material waiver / write off of debts / loans / interest etc. other than waivers /write-offs in the normal course of business which were based on facts of such cases and approved as per the delegation of authority policies of the Company.
- c) The Company has maintained adequate records in respect of inventories lying with third parties. No assets have been received as gifts from the Government or other authorities during the year. Proper records have been maintained in respect of grants received from the Government or other authorities

For R.Subramanian and Company LLP

Chartered Accountants
FRN: 004137S/S200041

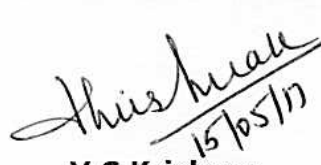


R.Rajaram
Partner
Membership No: 025210



For S.Viswanathan LLP

Chartered Accountants
FRN: 004770S/S200025



V.C.Krishnan
Partner
Membership No: 022167



Place: Chennai
Date: 15th May 2017

Annexure- B to Independent Auditors' Report

The Annexure referred to in paragraph 2 of our report of even date to the members of Chennai Petroleum Corporation Limited. On the accounts of the Company for the year ended March 31, 2017.

- (i) On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
 - (b) The Company has a program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner in a period of 4 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were observed by the management on such verification.
 - (c) The title deeds of immovable properties are in the name of the Company except in the case of 186.86 acres of land allotted by the Government of Tamil Nadu for which assignment deeds are yet to be received.
- (ii) According to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Consequently, the provisions of clauses 3(a) and 3(b) are not applicable.
- (iv) The Company has not provided any loan or investments or guarantees or Securities which fall under the purview of section 185 or section 186 of the Act.
- (v) According to the information and explanations given to us, the Company has not accepted deposits from the public and consequently the directives issued by the Reserve Bank of India and provisions of section 73 to 76 or any other relevant provisions of the Act and Companies (Acceptance of Deposits) Amendment Rules, 2015 are not applicable.



- (vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us, the Company has been regular in depositing with the appropriate authorities the undisputed statutory dues in the case of provident Fund, employees' state insurance, income-tax, customs duty, sales tax and value added tax, cess and any other material statutory dues. 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, 2017 for a period of more than six months from the date they became payable.
- (b) The details of disputed dues of income-tax, sales tax, excise duty, customs duty and value added tax which have not been deposited as on March 31, 2017 are given in the Annexure "I" to our report.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any dues to financial institutions, banks, governments or debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by the way of initial public offer or further public offer (including debt instruments), hence clause (ix) is not applicable.
- (x) According to the information and explanations given to us by the Company, no fraud by the company or any fraud on the company by its officers and employees has been noticed or reported during the year.
- (xi) Managerial remuneration paid by the Company is as per the section 197 read with schedule V of the Act.
- (xii) The Company is not a Nidhi Company; hence clause (xii) is not applicable.
- (xiii) 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 financial statements as required under the relevant Indian Accounting Standard (IND AS).
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year under review. Accordingly, clause (xiv) is not applicable.



(xv) The Company has not entered into any non-cash transactions with the Directors or any persons connected with him. Accordingly, clause (xv) is not applicable.

(xvi) The Company is not engaged in non-banking financial services therefore clause (xvi) is not applicable

For R.Subramanian and Company LLP

Chartered Accountants
FRN: 0041375/S200041

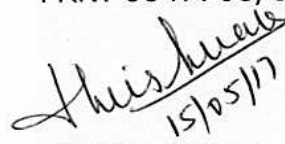


R.Rajaram
Partner
Membership No: 025210



For S.Viswanathan LLP

Chartered Accountants
FRN: 0047705/S200025



V.C.Krishnan
Partner
Membership No: 022167



Place: Chennai
Date: 15th May 2017

Annexure C to the Auditors' Report

Report on the Internal Financial Controls 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, 2017 in conjunction with our audit of the standalone IND AS 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone IND AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone IND AS 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 IND AS 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 IND AS 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, 2017, 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 R.Subramanian and Company LLP

Chartered Accountants
FRN: 004137S/S200041


R. Rajaram
Partner

Membership No: 025210



Place: Chennai

Date: 15th May 2017

For S.Viswanathan LLP

Chartered Accountants
FRN: 004770S/S200025

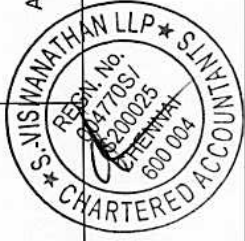

V.C. Krishnan
Partner

Membership No: 022167



Statement of Disputed Dues

Name of the Statute	Nature of the dues	Disputed Amounts including interest (₹ in lakhs)	Amount paid under protest/ Predeposit (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	9304.24	3721.59	2010-11	Sales Tax Tribunal, Tamil Nadu
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	8993.45	2877.37	2011-12	Sales Tax Tribunal, Tamil Nadu
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	1624.27	1015.63	2014-15 (Upto Oct'14)	2014-15 - Additional Comm (CT)
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	289.56	72.40	2014-15	Joint Commissioner (Appeals)
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	244.60	61.15	2015-16	Joint Commissioner (Appeals)
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	1306.85	653.42	2016-17	Additional Commissioner (CT)
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	1751.87	1167.97	Oct -2015 to March 2016	Joint Commissioner (Appeals)
Central Sales Tax Act	Sales Tax Dues	32.42	-	2007-08	Dy. Commissioner CT - III Tamilnadu
Central Sales Tax Act	Sales Tax Dues	249.74	-	2008-09	Dy. Commissioner CT - III Tamilnadu
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	753.36	-	Oct -2016 to Dec 2016	Joint Commissioner (CT) LTU
Central Sales Tax Act	Sales Tax Dues	161.99	-	1991-92	Dy. Commissioner CT - III Tamilnadu
Central Excise Act	Excise Dues	98.78	-	Jan 2005 to Jun 2005	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act	Service Tax Dues	47.50	1.92	2015-16	Commissioner Appeal
Central Excise Act	Excise Dues	2.91	0.19	2013-14 & 2014-15	Commissioner Appeal
Central Excise Act	Excise Dues	4.71	0.32	2013-14 & 2014-15	Commissioner Appeal
Central Excise Act	Excise Dues	11.6	1.16	2002-2003	Customs Excise and Service Tax Appellate Tribunal
Income Tax Act	Income Tax Dues	3069.92	1228.00	AY 2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act	Income Tax Dues	2493.77		AY 2010-11	Commissioner of Income Tax (Appeals)



R. SUBRAMANIAN AND COMPANY LLP
Chartered Accountants

New No.6, Old No.36,
Krishnaswamy Avenue,
Luz, Mylapore,
Chennai - 600 004.

S. VISWANATHAN LLP
Chartered Accountants

No.17, Bishop Wallers
Avenue (West)
C.I.T Colony, Mylapore,
Chennai - 600 004.

INDEPENDENT AUDITORS' REPORT

To

The Members of Chennai Petroleum Corporation Limited
Chennai

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Chennai Petroleum Corporation Limited (hereinafter referred to as "the Holding Company") and its jointly controlled entities / Joint operations, comprising the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Holding Company and its jointly controlled entities / Joint operations in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 / Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the Holding Company and its jointly controlled entities / Joint operations are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its jointly controlled entities / Joint operations and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are



reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- a) Of the consolidated state of affairs (financial position) of the Holding Company and its jointly controlled entities / Joint operations as at 31st March, 2017, and



- b) their consolidated profit/loss (financial performance including other comprehensive income),
- c) their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and jointly controlled entities/joint ventures and joint operations, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 /Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled entities/ joint ventures and joint operations incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies/joint venture incorporated in India is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies,



associate companies and jointly controlled entities/ joint ventures and joint operations incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and jointly controlled entities/joint ventures and joint operations, as noted in the 'Other matter' paragraph:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements (Refer Note 33 to the Consolidated Financial Statements).

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company; and

OTHER MATTERS

We did not audit the financial statements / financial information of three jointly controlled entities/ Joint operation, whose financial statements/ financial information reflect total assets of Rs. 42916.2 lakhs and net assets of Rs. 29521.1 lakhs as at 31st March, 2017, total revenues of Rs. 66249.69 lakhs and net cash outflows amounting to Rs. 1656.84 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the share of net profit/loss of Rs.2851.71 lakhs for the year ended 31st March, 2017, as considered in the consolidated financial statements, in respect of jointly controlled entities/ Joint operation, whose financial statements / financial information have not been audited by us. The financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled entity/operation, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid jointly controlled entity, is based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the



reports of the other auditors and the financial statements/ financial information certified by the Management.

For R.Subramanian and Company LLP

Chartered Accountants
FRN: 004137S/S200041



R.Rajaram
Partner
Membership No: 025210



For S.Viswanathan LLP

Chartered Accountants
FRN: 004770S/S200025



V.C.Krishnan
Partner
Membership No:022167



Place: Chennai

Date: 15th May 2017

Annexure A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Section 143(3) of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Chennai Petroleum Corporation Limited ("the Holding Company") as of March 31, 2017 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

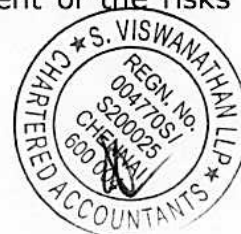
Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its jointly controlled entities / joint operations which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material



misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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

Other Matters

Our aforesaid reports under section 143 (3) (i) of the act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to Joint controlled entities / Joint operations , which is incorporated in India, is based on the corresponding report of the auditors of such companies incorporated in India.

For R.Subramanian and Company LLP

Chartered Accountants
FRN: 004137S/S200041



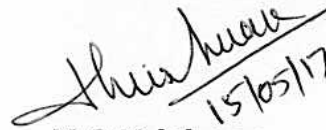
R. Rajaram
Partner

Membership No: 022167



For S.Viswanathan LLP

Chartered Accountants
FRN: 004770S/S200025



V.C. Krishnan
Partner

Membership No: 022167



Place: Chennai

Date: 15th May 2017