ANNUAL REPORT 2016-17

SYMBOL OF VIBRANT GROWTH

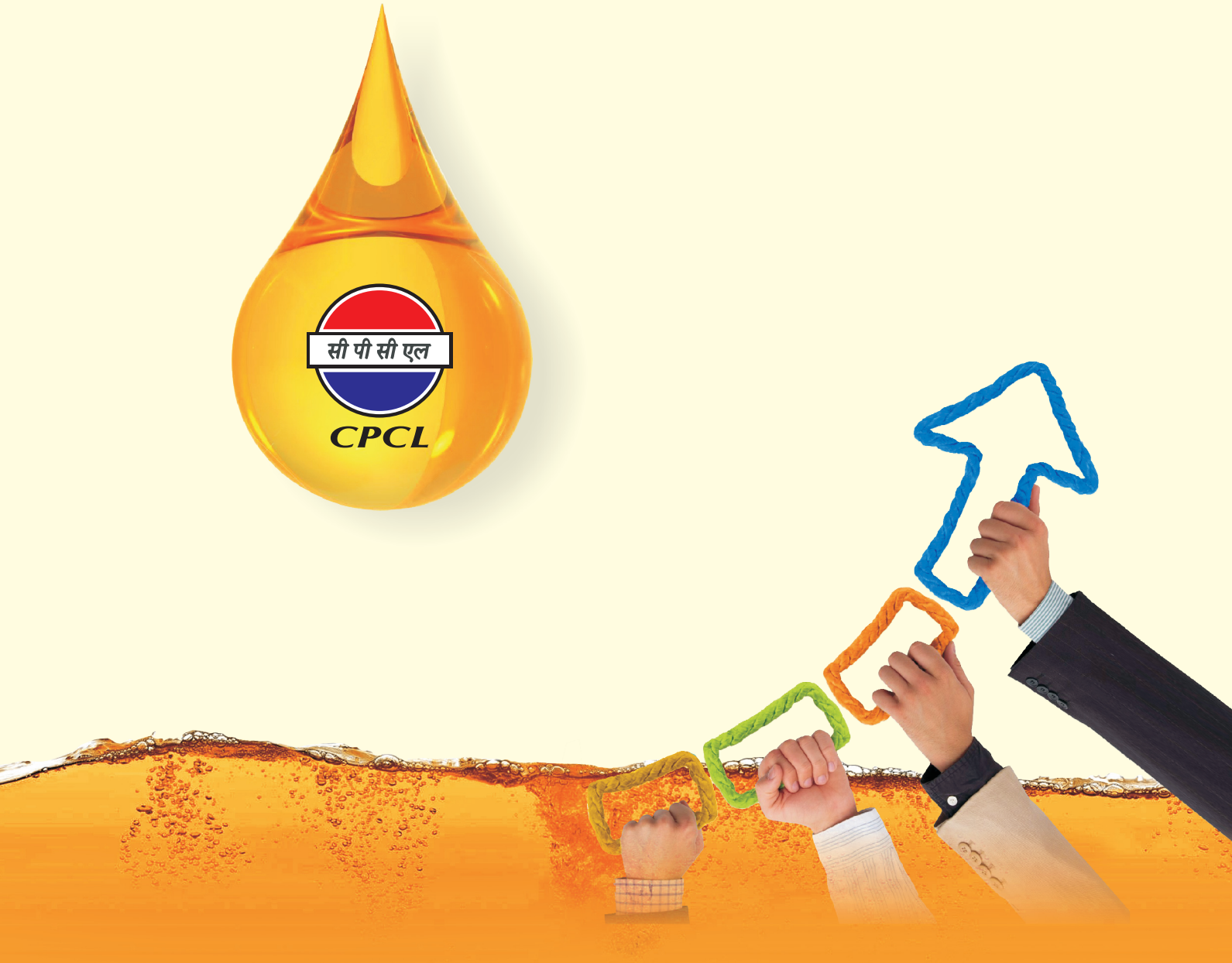


चेन्नै पेट्रोलियम कॉर्पोरेशन लिमिटेड

(इंडियनऑयल की ग्रूप कम्पनी)

Chennai Petroleum Corporation Limited

(A group company of IndianOil)



SYMBOL OF VIBRANT GROWTH

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VISION

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

MISSION

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

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

To constantly innovate new products and alternate fuels

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

To ensure high standards of business ethics and corporate governance

To maximize growth, achieve national pre-eminence and maximize stake holders wealth

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REGISTERED OFFICE AND OTHER DETAILS

1. REGISTERED OFFICE
   No. 536, Anna salai, Teynampet,
   Chennai – 600 018.

2. REFINERIES
   Manali Refinery, Manali,
   Chennai – 600 068.
   Cauvery Basin Refinery
   Panangudi Village,
   Nagapattinam District, Tamil Nadu

3. Website : www.cpcl.co.in
   E-mail: sld@cpcl.co.in / shankarp@cpcl.co.in

4. REGISTRAR & TRANSFER AGENT
   M/s.Karvy Computershare Pvt Ltd
   Karvy Selenium Tower B, Plot 31-32,
   Gachibowli Financial District,
   Nanakramguda, Hyderabad – 500 032.
   Phone: 040-67162222
   E-mail: einward.ris@karvy.com
   Website: www.karvycomputershare.com

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

6. PUBLIC INFORMATION OFFICER
   Mr. S.Vaidyanathan,
   Chief Manager (Corporate Communications)

7. COMPLIANCE OFFICER
   Mr. P.Shankar
   Company Secretary

8. AUDITORS
   M/s. R. SUBRAMANIAN AND COMPANY LLP
   Chartered Accountants
   New No.6, Old No.36, Krishnaswamy Avenue,
   Luz, Mylapore, Chennai –600004.
   Phone: 044-24992261 / 24991347 / 24994231
   E-mail: rs@rscompany.co.in
   website:www.rscompany.co.in

   M/s. S. VISWANATHAN LLP
   Chartered Accountants
   No.17, Bishop Wallers Avenue (West)
   Mylapore,Chennai – 600 004.
   Phone: 044-24991147/24994423
   E-mail: sviswa@eth.net
   Website: www.sviswanathan.com

9. COST AUDITORS
   M/s. M.Krishnaswamy & Associates,
   Cost Accountants,
   Flat 1K, Ramaniyam Ganga,
   Plot No. 27-30, First Avenue,
   Ashok Nagar, Chennai – 600083.
   Phone: 044-23710069
   E-mail: mahalingamkrishnaswamy@gmail.com
   Website: www.gica.in

10. SECRETARIAL AUDITOR
    M/s.S.Sandeep & Associates
    No.20, 'F' Block, Ground Floor,
    Gemini Parsn Apts, New No.448, Old No. 599,
    Cathedral Garden Road (Behind Hotel Palmgrove),
    Anna Salai, Chennai – 600 006.
    Tel.: 044-43057999
    E-mail: sandeep@sandeep.cs.in
    Website: www.sandeep.cs.in

11. STOCK EXCHANGES
    BSE Ltd.,
    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

12. DEBENTURE TRUSTEE
    Registered Office:
    No.14, India Exchange Place,
    1st floor, Kolkatta – 700 001.
    Phone : 033-22487864 / 22487896
    Corporate Office:
    Allahabad Bank Bldg; 2nd floor
    No.37, Mumbai Samachar Marg, Fort,
    Mumbai – 400 023
    Phone : 022-22626283

Board of Directors

Mr. Sanjiv Singh
Chairman

Mr. Gautam Roy
Managing Director & Director (Operations)i/c

Mr. U. Venkata Ramana
Director (Technical)

Mr. S. Krishna Prasad
Director (Finance)

Mr. K.M. Mahesh
Director

Mr. S.M. Vaidya
Director

Mr. Mrutunjay Sahoo
Independent Director

Dr. P.B. Lohiya
Independent Director

Mr. Farzad Bahrami
Director,
Naftiran Intertrade Company Limited

Mr. M.B. Dakhili
Director,
Naftiran Intertrade Company Limited

Executives

Mr. D.P.Naidu
Chief Vigilance Officer

Mr. A.Paul Christudass
General Manager (Finance)

Mr. S.Visveswaran
General Manager (Technical)
(upto 31.07.2017)

Mr. G.Aravindan
General Manager (Services)

Mr. G.Suresh Kumar
General Manager (Projects & Development / R&D)

Mr. R.Srikanthan
General Manager (Cauvery Basin Refinery)

Mr. M.Manoharan
General Manager (Maintenance)

Mr. B.Panneerselvam
General Manager (Operations)

Mr. P.Subrahmanyam
General Manager (Corporate Planning)i/c

Mr. M.Sankaranarayanan
General Manager (Human Resources)i/c

Mr. P.Shankar
Company Secretary

TEN YEAR PROFILE

WHAT WE OWE AND WHAT WE OWN **(₹ in Lakhs)**

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
What We Owe										
Equity Share Capital	14900	14900	14900	14900	14900	14900	14900	14900	14900	14900
Reserves	331552	291824	331308	361692	364414	187729	157345	150608	221243	316481
Networth	**346452**	**306724**	**346208**	**376592**	**379314**	**202629**	**172245**	**165508**	**236143**	**331381**
Borrowings	245046	154791	407789	422253	367234	590545	559962	539906	356685	450106
Preference Share Capital	-	-	-	-	-	-	-	-	100000	100000
Total Borrowings	**245046**	**154791**	**407789**	**422253**	**367234**	**590545**	**559962**	**539906**	**456685**	**550106**
Deferred Tax Liability	60736	41400	57596	60447	63795	70710	70340	-	-	2425
Total	**652234**	**502915**	**811593**	**859292**	**810343**	**863884**	**802547**	**705414**	**692828**	**883912**
What We Own										
Fixed Assets	506590	516390	544473	624627	688592	805568	816566	817604	437899	445637
Less: Depreciation	205411	230557	253579	282792	318460	349837	388159	410568	26495	57854
Fixed Assets (Net WDV)	**301179**	**285833**	**290894**	**341835**	**370132**	**455731**	**428407**	**407036**	**411404**	**387783**
Intangible Assets	6011	2563	3792	4215	4754	4754	4862	4862	654	684
Less: Amortisation	2303	1212	1773	2470	3241	3701	4082	4218	110	184
Intangible Assets (Net WDV)	**3708**	**1351**	**2019**	**1745**	**1513**	**1053**	**780**	**644**	**544**	**500**
Capital WIP	29598	71821	128074	115590	101945	17600	36448	83969	175292	284305
Investments	11047	2281	2343	2250	2363	2425	2482	2542	1194	1194
Working Capital	306702	141629	388263	397872	334390	387075	334430	211223	104394	210130
Total	**652234**	**502915**	**811593**	**859292**	**810343**	**863884**	**802547**	**705414**	**692828**	**883912**

SYMBOL OF VIBRANT GROWTH

WHAT WE EARNED AND WHAT WE SPENT (₹ in Lakhs)

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
WHAT WE EARNED										
Income										
Turnover	3288931	3648967	2918384	3812826	4538491	4684246	5392370	4787782	3495341	4058590
Interest	1472	1933	2285	2798	4435	1172	1393	2592	1597	1573
Miscellaneous Receipts	11375	3474	21224	8809	4111	2882	4445	2927	3760	4594
Inventory Difference	51001	(122443)	65799	44661	53739	20499	7211	(132081)	(20857)	(10503)
Adjustment - Prior Years	78	877	-	(7)	(921)	(60)	1346	(446)	-	-
Sub-Total	**3352857**	**3532808**	**3007692**	**3869087**	**4599855**	**4708739**	**5406765**	**4660774**	**3479841**	**4054254**
WHAT WE SPENT										
Expenditure										
Raw Materials	2590368	2980350	2395053	3155635	3973042	4270888	4746943	3955805	2310691	2444196
Excise Duty	488308	444877	425657	502594	463024	399573	458283	601011	912481	1291598
Manufacturing Expenses	23453	24406	27353	21678	22335	29638	30583	27710	31016	31503
Salaries & Benefits to Employees	14264	19294	27232	24022	25321	31543	29186	33871	35700	51288
Other Expenses	19659	75109	23570	31913	70474	62537	79111	53631	51548	37844
Interest	19481	22366	13737	25446	24938	46876	56797	40373	35172	27278
Depreciation and Amortisation	25161	25717	26714	31447	36542	37453	38958	22612	27369	27863
Impairment of Non Current Assets	-	-	-	-	-	-	-	-	-	6179
Sub-Total	**3180694**	**3592119**	**2939316**	**3792735**	**4615676**	**4878508**	**5439861**	**4735013**	**3403977**	**3917749**
Profit Before Tax	**172163**	**(59311)**	**68376**	**76352**	**(15821)**	**(169769)**	**(33096)**	**(74239)**	**75864**	**136505**

(₹ in Lakhs)

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Provision for Taxation	59868	(19583)	8054	25200	(22004)	6915	(2711)	(70340)	1677	33530
Profit After Tax	**112295**	**(39728)**	**60322**	**51152**	**6183**	**(176684)**	**(30385)**	**(3899)**	**74187**	**102975**
Other Comprehensive Income	-	-	-	-	-	-	-	-	(157)	(568)
Total Comprehensive Income	**112295**	**(39728)**	**60322**	**51152**	**6183**	**(176684)**	**(30385)**	**(3899)**	**74030**	**102407**
Dividend	25315	-	17869	17869	2978	-	-	-	5956	31271
Dividend Distribution Tax	4302	-	2968	2899	483	-	-	-	1213	6366

FINANCIAL INDICATORS

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Debt Equity Ratio	0.71	0.50	1.18	1.12	0.97	2.91	3.25	3.26	1.93	1.66
Earnings per share (₹.)	75.41	(26.68)	40.51	34.35	4.15	(118.65)	(20.40)	(2.62)	49.82	69.15
Profit After Tax to Average Networth (%)	36.80	(12.16)	18.48	14.15	1.64	(60.72)	(16.21)	(2.31)	36.94	36.29
Dividend (%)	170	-	120	120	20	-	-	-	40	210
Dividend Payout (%)	22.54	-	29.62	34.93	48.17	-	-	-	8.03	30.37

SYMBOL OF VIBRANT GROWTH

NOTICE

Notice is hereby given that 51st Annual General Meeting of the Shareholders of the Company will be held at **3:00 pm on Thursday, the 24th August 2017 at Kamaraj Arangam, 492, Anna Salai, Chennai- 600006,** to transact the following businesses:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the period from 1st April 2016 to 31st March 2017, together with the Director's Report and the Auditor's Report.
2. To declare dividend on Preference shares for the year 2016-17
3. To declare dividend on Equity Shares for the year 2016-17
4. To appoint a Director in place of Mr. S.Krishna Prasad (DIN No 03065333) who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr.Sanjiv Singh (DIN No:05280701), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESSES:

6. APPOINTMENT OF MR.MRUTUNJAY SAHOO (DIN No 00015715) AS DIRECTOR

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

   "RESOLVED that pursuant to the provisions of Companies Act 2013 read with Rules made thereunder including any statutory modifications or re-enactment thereof for the time being in force, Mr. Mrutunjay Sahoo (DIN No:00015715), who was appointed as an Additional Director by the Board of Directors effective 23.02.2017 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director of the Company not liable to retire by rotation."

7. APPOINTMENT OF DR.P.B.LOHIYA (DIN No 07741463) AS DIRECTOR

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

   "RESOLVED that pursuant to the provisions of Companies Act 2013 read with Rules made thereunder including any statutory modifications or re-enactment thereof for the time being in force, Dr.P.B.Lohiya (DIN No:07741463), who was appointed as an Additional Director by the Board of Directors effective 23.02.2017 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director of the Company not liable to retire by rotation."

8. APPOINTMENT OF SHRI S.M. VAIDYA (DIN No 06995642) AS A DIRECTOR

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

   "RESOLVED that pursuant to the provisions of Companies Act 2013 read with Rules made thereunder including any statutory modifications or re-enactment thereof for the time being in force, Mr. S.M.Vaidya (DIN No:06995642), who was appointed as an Additional Director by the Board of Directors effective 23.06.2017 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of

Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director liable to retire by rotation."

9. RATIFICATION OF REMUNERATION OF COST AUDITOR FOR THE YEAR 2017-18

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 Rs.2,00,000 /- (Rupees Two lakh 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 2017-18 payable to M/s.M.Krishnaswamy & Associates, Cost Accountants, Chennai, the cost auditor of the company be and is hereby ratified"

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

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

Date: 21-07-2017
Place: Chennai

Notes:-

1) A member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of himself.

2) The proxy need not be a member of the Company.

3) As per the provisions of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.

4) The instrument of Proxies, in order to be effective, must be lodged at the Registered Office of the Company not later than 48 hours before the time of holding the meeting.

5) Members / Proxies/Authorised Representatives are requested to bring the attendance slip duly filled and signed along with copy of Annual Report to the meeting.

6) Members, who hold shares in the dematerialised form, are requested to bring their depository account number for identification at the time of Annual General Meeting.

7) The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, the 18th August 2017 to Thursday, the 24th August 2017 (both days inclusive) for the purpose of ascertaining the eligibility of members for payment of dividend. The dividend payable on equity shares if approved by the members, will be paid to those members whose names appear on the Register of members and as per the beneficial owners' position received from NSDL and CDSL as at the close of the working hours on Thursday, the 17th August 2017.

A preference dividend of 6.65% as per the terms and conditions of the offer document will be paid on the paid-up preference share capital of the company for the financial year 2016-17 to Indian Oil Corporation Limited.

8) A statement setting out the material facts in respect of resolutions set out under "Special Businesses" of the Notice pursuant to Section 102(1) of The Companies Act, 2013 is annexed hereto.

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

10) Non-resident Indian members are requested to inform the RTA, M/s.Karvy Computer share Private Limited, Hyderabad immediately about:

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

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

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

    - For shares held in dematerialised form - to their respective Depository Participant
    - For shares held in physical form - to the RTA, M/s Karvy Computer share Private Limited, Karvy Selenium, Tower B, Plot No.31 & 32, Financial District, Gachibowli, Hyderabad – 500032 or at the registered office of the Company

12) Securities and Exchange Board of India (SEBI), has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in Electronic form are requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in Physical form are requested to submit their PAN details to M/s.Karvy Computer share Private Limited, the Share Transfer Agents of the Company.

13) Pursuant to the provisions of the Companies Act, the Company has transferred all unclaimed dividend declared upto the financial year 2008-09, to Investor Education & Protection Fund (IEPF) established by the Central Government. Upon completion of 7 years, the Company would transfer the unclaimed dividend for the financial year 2009-10 in October, 2017. No dividend was declared for the financial year 2008-09, 2012-13, 2013-14 and 2014-15. The dividend for the financial year 2009-10, 2010-11 , 2011-12 and 2015-16 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 warrant so far, for the financial years 2009-10, 2010-11, 2011-12 and 2015-16 may write to the RTA, M/s. Karvy Computer share Private Limited, Hyderabad or at the registered office of the Company for claiming the unpaid dividend.

14) 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. 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. In line with the IEPF Rules, the company would initiate steps for transfer of such shares, if any, to IEPF.

15) The shares of the Company are compulsorily traded in dematerialised form and therefore, the members are requested to dematerialise their shares to facilitate trading in the shares of the company.

16) As per the provisions of the Companies Act, 2013, members are entitled to make nomination in respect of shares held by them in physical form. Nomination form can be downloaded from the website of the company at www.cpcl.co.in. Shareholders holding shares in Demat form may contact their Depository Participant for nomination.

17) A brief Resume of the Directors of Company, seeking appointment/re-appointment at this Annual General Meeting, and their expertise in specific functional areas, is given as part of the Notice of 51st Annual General Meeting.

18) The relevant documents are available for inspection by the members at the Registered Office of Company at any time during the working hours till the date of meeting.

19) Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with Rules made thereunder, the Annual Report 2016-2017, Notice of the 51st AGM and instructions for e-voting along with the Attendance Slip and Proxy Form are being sent by electronic mode only to those members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2016- 2017, are being sent by the permitted mode. Members holding shares in physical form can send their email address for registration to einward.ris@karvy.com / mohsin.mohd@karvy.com quoting the Folio Number and Name of the Company.

20) The Annual Report duly circulated to the Members of the Company, is also available on the Company's Website at www.cpcl.co.in.

21) In terms of Section 108 of the Companies, Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 the Company is providing the facility to its members to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice. The cut-off date to be eligible to vote is Thursday, the 17th August 2017.

22) Facility for e-voting:

i) Details of the process and manner of e-voting along with the User ID and Password are being sent to the members along with the notice:

- By email to those members whose email ID is registered with the Company / Depository Participant.
- By post to those members whose email ID is not registered with the Company / Depository Participant.

ii) The instructions and other information relating to e-voting are as under:

- Launch internet browser by typing the URL: https://evoting.karvy.com.
- Enter the login credentials (i.e. User ID and Password mentioned in the notice). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for logging in.
- After entering these details appropriately, Click on "LOGIN".
- You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- You need to login again with the new password.
- On successful login, the system will prompt you to select the "EVENT" i.e. Chennai Petroleum Corporation Limited.
- On the voting page, enter the number of shares (which represents the number of votes as on the Cut Off date) under "FOR / AGAINST / ABSTAIN" or alternatively, you may partially enter any number of votes in "FOR" and partially in "AGAINST" such that the total number of votes cast "FOR / AGAINST" taken together should not exceed your total shareholding. In case you do not wish to cast your vote you may choose the option "ABSTAIN".
- Voting has to be done for each item of the Notice separately. In case you do not cast your vote on any specific item it will be treated as abstained.
- Members holding multiple demat accounts / folios shall choose the voting process separately for each demat account / folio.
- You may then cast your vote by selecting an appropriate option and click on "Submit".
- A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
- Corporate / Institutional members are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email ID: lbandco.cs@gmail.com, with a copy marked to evoting@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "CPCL, 51st Annual General Meeting".
- The e-voting would commence on Saturday, the 19th August 2017 at 9:30 A.M. and end on Wednesday, the 23rd August 2017 at 05.00 P.M. During this period, the eligible members of the Company may cast their vote by electronic means in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter. Further, members who cast their vote electronically shall not be entitled to vote at the Annual General Meeting.
- Facility for voting through ballot paper would also be made available at the AGM venue. Members who cast their votes electronically should not vote through ballot paper. However, in case a member votes electronically as well as through ballot paper, the vote cast through ballot paper will be ignored.
- In case of any query pertaining to e-voting, please visit Help & FAQ's section of https://evoting.karvy.com.
- The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company, as on the cut-off date.
- The Company has appointed M/s.LB &Co. Company Secretaries, as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through e-voting in the presence of at least 2 (two) witnesses not in the employment of the Company and submit not later than 48 hours of conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against if any, to the Chairman of the Company or such other officer authorized by the Chairman.

- The Results on resolutions shall be declared within 48 hours of the conclusion of the AGM and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
- The results of voting along with the Scrutinizer's Report(s) thereon would be available on the website of the Company (www.cpcl.co.in) and on Service Provider's website (https://evoting.karvy.com) immediately after the declaration of the results and would also be communicated simultaneously to the BSE Limited and the National Stock Exchange of India Limited.

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

Item No. 6

Mr. Mrutunjay Sahoo, IAS (Retd.), was appointed as an Additional Director with effect from 23.02.2017. As per the provisions of Section 161 of the Companies Act, 2013, Mr.Mrutunjay Sahoo will hold office only upto the date of the 51st Annual General Meeting of the Company.

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

Mr.Mrutunjay Sahoo 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.Mrutunjay Sahoo.

The Directors, therefore, recommend the Ordinary Resolution for approval by members.

Item No.7

Dr.P.B.Lohiya, was appointed as an Additional Director with effect from 23.02.2017. As per the provisions of Section 161 of the Companies Act, 2013, Dr.P.B.Lohiya will hold office only upto the date of the 51st Annual General Meeting of the Company.

A Notice under section 160 of the Companies Act, 2013 has been received proposing the appointment of Dr.P.B.Lohiya as a Director along with the deposit amount as prescribed under the Companies Act 2013.

Dr.P.B.Lohiya 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.P.B.Lohiya.

The Directors, therefore, recommend the Ordinary Resolution for approval by members.

Item No.8

Shri S.M.Vaidya was appointed as an Additional Director with effect from 23.06.2017. As per the provisions of Section 161 of the Companies Act, 2013, Shri S.M.Vaidya will hold office only upto the date of the 51st Annual General Meeting of the Company.

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

Shri S.M.Vaidya 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 Shri S.M.Vaidya.

The Directors, therefore, recommend the Ordinary Resolution for approval by members.

Item No. 9

The proposal for appointment of M/s.M.Krishnaswamy & Associates, Cost Accountants, Chennai as the Cost Auditor of Manali Refinery and Cauvery Basin Refinery of the Company for the Financial Year 2017-18 at a

remuneration of Rs. 2,00,000/- 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 at the Meeting held on 15.05.2017 and also approved by the Board of Directors of the Company at the meeting held on 15.05.2017.

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 Rs. 2,00,000/- 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 2017-18 payable to M/s.M.Krishnaswamy & Associates, Cost Accountants , Chennai, the cost auditors of the company is proposed for ratification by the members.

Memorandum of Interest:

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

BRIEF RESUME OF THE DIRECTORS OF THE COMPANY, SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 51st ANNUAL GENERAL MEETING

1. Mr.S.Krishna Prasad born on 21.01.1958 was appointed as a Director on the Board of CPCL as Director (Finance) effective 09.01.2015. Mr. S.Krishna Prasad is a qualified Chartered Accountant with rich and varied experience of over 35 years in the oil industry. Prior to joining CPCL, he was the Executive Director (Finance) i/c, Indian Oil Corporation Limited.

   He is a member of Stakeholders Relationship Committee, Board Project Committee, Committee on Corporate Social Responsibility and Sustainability Development and Planning & Projects Committee of the company. He is a Permanent invitee to the Audit Committee.

   Mr. S.Krishna Prasad is not holding any shares in the Company. Inter-se relationship between Directors is none.

2. Mr. Sanjiv Singh born on 30.06.1960 was appointed on the Board of the company effective 03.07.2014. He is also the Chairman of Indian Oil Corporation Limited and also been appointed as Non-Executive Chairman of the Company effective 16.06.2017. Mr. Sanjiv Singh is a Graduate in Chemical Engineering from IIT, Roorkee and also acquired Diploma in Management. He has more than three decades of experience and worked in various positions in Mathura, Barauni and Panipat refineries.

   Mr. Sanjiv Singh is a member of Nomination & Remuneration Committee and Chairman of the Board Project Committee of the company. He is not holding any shares in the Company. Inter-se relationship between Directors is none.

3. Shri Mrutunjay Sahoo, IAS (Retd.), born on 16.03.1954, was appointed as a Director on the Board of CPCL effective 23.02.2017. He holds a Masters Degree in Commerce from Delhi School of Economics and an MBA with Finance specialization from Southern Cross University, Australia. He retired as Special Chief Secretary, Energy Department, Government of Andhra Pradesh on 31.03.2014, in the grade of Secretary to the Government of India having 18 years of work experience in the rank of Joint Secretary and above.

   Mr. Mrutunjay Sahoo is the Chairman of Audit Committee, Nomination and Remuneration Committee and member of Board Project Committee. He is holding 2500 shares in the company. Inter-se relationship between Directors is none.

4. Dr. P.B.Lohiya, born on 15.03.1951, is a Doctor by profession and was appointed as Director on the Board of CPCL effective 23.02.2017. He is also an M.D (Srilanka) and holds a Ph.D from Spain. He is the founder and Chairman of Indian Academy of Acupuncture Science, Aurangabad. He has widely travelled and has addressed National and International Conferences on acupuncture. His articles and interviews on acupuncture have been published in leading newspapers.

He is the Chairman of Stakeholders Relationship Committee and CSR & SD Committee and member of Audit Committee and Nomination & Remuneration Committee. He is not holding any shares in the Company. Inter-se relationship between Directors is none.

5. Mr.S.M.Vaidya, born on 07.08.1963, was appointed as a Director on the board of CPCL effective 23.06.2017. He is a Graduate in Chemical Engineering from NIT Rourkela and Diploma in Business Management. He joined Indian Oil Corporation Limited in 1987 and worked in various positions at Panipat Refinery and was involved in the commissioning and stabilization of the Panipat Refinery Units. He also served as Head of Mathura Refinery. Presently he is the Executive Director (Operations) IOCL Refinery Headquarters, New Delhi.

   Mr.S.M.Vaidya is not holding any shares in the Company. Inter-se relationship between Directors is 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: 21-07-2017
Place: Chennai

REPORT ON CORPORATE GOVERNANCE: 2016-17

1 COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

CPCL believes that good Corporate Governance practices permeate beyond compliances to ensure ethical and efficient conduct of the affairs of the company. The Company continuously endeavours to foster a culture, wherein high standards of accountability and transparency are ingrained in all its operations and shared by its Board of Directors, Management and Employees.

For effective implementation of corporate governance practices, CPCL has a well defined framework, inter-alia consisting of the following:

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

2 BOARD OF DIRECTORS

a) Composition of the Board of Directors

The composition of the Board of Directors of the company is governed by the provisions of the Companies Act 2013, Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the DPE guidelines on Corporate Governance for Central Public Sector Enterprises and the Articles of Association of the company. The Board of Directors of the Company has an optimum combination of both Executive and Non-Executive Directors.

As on 31.03.2017, CPCL Board comprises of the following categories of Directors:

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

Out of the total number of eleven Directors as on 31.3.2017, Seven Directors were Non-Executive Directors. Thus the Company meets the requirement of the number of Non-Executive Directors being not less than 50% of the Board of Directors of the Company as prescribed by SEBI under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, introduced by SEBI vide Notification dated 02.09.2015, if the non-executive Chairman is a Promoter of the Company or is related to any promoter or person occupying Management positions at the Board level or at one level below the Board, atleast one-half of the Board of the Company shall consist of Independent Directors. Since, the Company has a non-executive Chairman who is on the Board of Indian Oil Corporation Limited, the Company needs to have 8 Independent Directors, including one woman director.

Shri. Mrutunjay Sahoo and Dr. P.B. Lohiya have been appointed as Non-Official Independent Directors on 23.02.2017 based on communication dated 31.01.2017 from Government of India, Ministry of Petroleum and Natural Gas. Presently, the Company has two Independent Directors. The appointment of additional Independent Directors including one Woman Director is under the consideration of Government of India.

b) Board Meetings

The Board oversees the overall functioning of the company. The Board has constituted various committees to facilitate the smooth and efficient flow of decision making process.

Information placed before the Board

Presentations are made to the board on various functional and operational areas of the company. The agenda placed before the Board inter-alia includes the following:

- Capital and Revenue Budget
- Memorandum of Understanding with Indian Oil Corporation Limited, the Holding Company
- MoU Evaluation report
- Quarterly and Annual Financial results
- Dividend declaration
- Minutes of the Meetings of the Sub-Committees of the Board
- New Project proposals
- Safety and security related matters
- Significant developments between two board meetings
- Status of the various plan and non-plan projects
- Action Taken Report on the Risk Management Policy
- HR related issues
- Quarterly Reports on Manpower, Investment, Borrowings, Cash Flow Statement, Plan and Non-Plan control reports.
- General notices / matters of interest of Directors
- Secretarial Audit Report and Corporate Governance Report
- Report on Share Transfers, Transmissions, Issue of Duplicate Share Certificates and Status of Investor Grievances
- Compliance of applicable laws
- Action Taken Report on the decisions of the Board
- Any other issue necessitating to be put up to the Board

Five Board Meetings were held during the year 2016-17 on the following dates:

Board Meeting No.	Board Meeting Date	Board strength	Number of Directors present
310	23.05.2016	10	9
311	06.07.2016	10	8
312	06.09.2016	10	9
313	14.11.2016	9	8
314	23.01.2017	9	8

c) Attendance of Directors at the Board Meetings held during the financial year 2016-17 and at the last Annual General Meeting held on 07.09.2016; 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 07.09.2016 (Yes/No/NA)	No.of Directorship in other companies as on 31.03.2017	Membership of Committees in other companies incl.CPCL as on 31.03.2017	Chairmanship of committees in other companies incl. CPCL as on 31.03.2017
Non-Executive Chairman Mr. B.Ashok	5(5)	YES	2	0	0
Whole-time Directors					
Mr.Gautam Roy	5(5)	YES	2	0	0
Mr. S. Venkataramana	5(5)	YES	2	3	0
Mr. U.Venkata Ramana	5(5)	YES	0	4	0
Mr. S.Krishna Prasad	5(5)	YES	0	4	0
Part-time Non-Executive Director (IOCL Nominee)					
Mr. Sanjiv Singh	5(5)	YES	3	1*	2
Independent Directors					
Mr. G.Ramaswamy (till 08.10.2016)	3(3)	YES	0	0	4
Mr. Mrutunjay Sahoo (w.e.f. 23.02.2017)	0	N.A.	1	0	1
Dr.P.B.Lohiya (w.e.f. 23.02.2017)	0	N.A.	0	1	0
Part-time Non-Executive Director(Government Nominee)					
Mr. K.M.Mahesh	5(5)	YES	0	2	2
Part-time Non-Executive Director (NICO Nominee)					
Mr. Yasin Rezazadeh (till 23.01.2017)	0(4)	NO	1	2	0
Mr. Alireza Zamani (till 23.02.2017)	4(5)	YES	1	2	0
Mr. M.B.Dakhili (w.e.f. 23.01.2017)	0(1)	N.A.	1	0	0
Mr. Farzad Bahrami (w.e.f. 23.02.2017)	0	N.A.	1	1	0

Note: In addition to Audit Committee and Stakeholders Relationship Committee, memberships/ chairmanships of Committees mentioned above also include Nomination &Remuneration Committee; CSR&SD Committee, Board Project Committee and Planning and Projects Committee.
***Note:** Audit Committee Member between 14.11.2016 to 23.02.2017.

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all the listed companies in which they are 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.

d) Code of Conduct for Board Members and other Senior Management Personnel

The Code of Conduct for Directors and Senior Management Personnel of the company has been laid down by the Board, which has been circulated to all the concerned and the same is also hosted in the website of the company www.cpcl.co.in. The Directors and Senior Management Personnel of the company have affirmed compliance with the provisions of the CPCL's code of conduct for year ended 31.03.2017.

As required under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 , a declaration signed by the Managing Director of the Company that all the Board Members and Senior Management personnel have fully complied with the provisions of the Code of Conduct for Board Members and Senior Management Personnel during the financial year ending 31.03.2017 is placed below:

> "This is to declare that all the Board Members and Senior Management Personnel of the Company have furnished the Annual Compliance Report affirming that they have fully complied with the provisions of the Code of Conduct for the Board Members and the Senior Management Personnel of the Company during the Financial Year ended 31.3.2017 and the same was informed to the Board at the 316th Meeting held on 15.05.2017".

Gautam Roy
MANAGING DIRECTOR

Place: Chennai
Date: 15.05.2017

3. AUDIT COMMITTEE

The Composition of the Committee as on 31.3.2017 is as under:

1. Mr. Mrutunjay Sahoo, Independent Director – Chairman
   (w.e.f. 23.02.2017)
2. Dr. P.B.Lohiya, Independent Director – Member
   (w.e.f. 23.02.2017)
3. Mr. K.M.Mahesh, Director – Member

Director(Finance) is a permanent Invitee.

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for fixation of audit fees of statutory auditors.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

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

The details of Audit Committee Meetings held during the Financial Year 2016-17 and the Members present are given below:

Attendance at meetings held out of total number of meetings						
MEMBERS PRESENT	**22.05.2016**	**06.09.2016**	**14.11.2016**	**23.01.2017**	**19.03.2017**	**Total**
Mr. G.Ramaswamy (till 08.10.2016)	Yes	Yes	N.A	NA	NA	2/2
Mr. S.Krishna Prasad (Member upto 14.11.2016 and Permanent invitee from 15.11.2016)	Yes	Yes	Yes	Yes	Yes	5/5
Mr. K.M.Mahesh	Yes	Yes	Yes	Yes	Yes	5/5
Mr.Yasin Rezazadeh (till 23.01.2017)	LoA	LoA	LoA	LoA	N.A	0/5
Mr. Sanjiv Singh (between 14.11.2016 to 23.02.2017)	N.A	N.A	N.A	Yes	N.A	1/1
Mr. Mrutunjay Sahoo (w.e.f. 23.02.2017)	N.A	N.A	N.A	N.A	Yes	1/1
Dr. P.B.Lohiya (w.e.f. 23.02.2017)	N.A	N.A	N.A	N.A	Yes	1/1

Note: LoA denotes Leave of Absence

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

The minutes of the meeting are circulated among the members of the Committee and among all the concerned for necessary action. The action taken report on the decisions of the Audit Committee are submitted to the Committee for information.

The then Chairman of the Audit Committee Mr.G.Ramaswamy, was present in the last Annual General Meeting.

Shri.P.Shankar, Company Secretary acts as the Secretary of the Audit Committee.

4. NOMINATION & REMUNERATION COMMITTEE

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.

The Nomination & Remuneration Committee as on 31.03.2017 comprises of the following members:

- Mr.Sanjiv Singh, Director – Chairman
- Mr.K.M.Mahesh, Director – Member

Note: Mr.G.Ramaswamy, Independent Director was the Chairman of the Committee till the completion of his tenure on 08.10.2016.

The Nomination and Remuneration Committee was reconstituted on 10.04.2017with the induction of Mr.Mrutunjay Sahoo and Dr.P.B.Lohiya, independent directors as members and designating Mr.Mrutunjay Sahoo as Chairman. Effective 10.04.2017, the company is complying with the requirements regarding the composition of the Committee which is as under:

- Mr.Mrutunjay Sahoo, Independent Director – Chairman
- Dr.P.B.Lohiya, Independent Director – Member,
- Mr.Sanjiv Singh, Member
- Mr.K.M.Mahesh, Member

The terms of reference of the Committee is as under:

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

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

The details of NRC meetings held during the financial year 2016-17 are as under:

Name of the member	**Attendance at the meetings held out of total number of meetings**		
	06.07.2016	**06.09.2016**	**Total**
Mr.G.Ramaswamy, Chairman (upto 08.10.2016)	Yes	Yes	2/2
Mr.Sanjiv Singh, Member	Yes	Yes	2/2
Mr.K.M.Mahesh, Member	Yes	Yes	2/2

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

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 2016-17 is given below:

(Rs. in lakhs)

Name of the Director	Salaries & Allowances	Contribution to Provident Fund / Superannuation Fund etc.	Other Benefits	Total
Mr.Gautam Roy	40.65	6.58	0.25	47.48
Mr.S.Venkataramana	30.54	10.37	0.95	41.86
Mr.U.Venkata Ramana	31.66	6.12	-	37.78
Mr.S.Krishna Prasad	39.28	6.11	0.85	46.24

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.

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

The Criteria for payment to Non-executive Directors is as under:

As per Article 90 A of the Articles of Association of the Company, the remuneration payable to the Directors of the Company, other than full-time Directors of the Company or Full-time employees of the Shareholders for attendance at Meetings of Board of Directors or any Committee thereof, shall be fixed by the Board of Directors of the Company from time to time.

The amount of sitting fees payable to the eligible Directors for attendance at the meetings of the Board and its Committees is Rs.20000/-.

The details of the sitting fees paid to non-executive Directors during 2016-17 are given below:

Mr.G.Ramaswamy	–	Rs. 2,00,000/-
Mr.Mrutunjay Sahoo	–	Rs. 20,000/-
Dr.P.B.Lohiya	–	Rs. 20,000/-

Mr.Mrutunjay Sahoo, independent director is holding 2500 equity shares in CPCL as on 31.03.2017. Mr.S.Venkataramana, Director (Operations) was holding 200 shares of CPCL as on 31.03.2017 as per the disclosure made by him. There were no other materially significant pecuniary relationships or transactions of the Independent Directors / Functional Directors vis-à-vis the Company.

Evaluation of performance of Non-Executive Directors

CPCL, being a Government Company, the performance of the Board of Directors as a whole including Non-Executive Directors are reviewed by Government of India / Indian Oil Corporation Limited at the time of evaluation of Memorandum of Understanding entered into by CPCL with IOC, the holding Company and also while reviewing the Quarterly performance of the Company by the Ministry of Petroleum and Natural Gas, Government of India

5. STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

The Composition of the Committee as on 31.3.2017 is as under

- Mr.K.M.Mahesh, Director - Chairman
- Mr.S.Krishna Prasad, Director (Finance) - Member
- Mr.U.Venkata Ramana, Director (Technical) - Member

Mr.G.Ramaswamy, independent director was the Chairman of the Committee till the completion of his tenure on 08.10.2016. Mr.Alireza Zamani was a member of the Committee till 23.02.2017. The Stakeholders Relationship Committee was reconstituted on 10.04.2017. Effective 10.04.2017, the following are the members:

- Dr.P.B.Lohiya, Independent Director – Chairman,
- Mr.K.M.Mahesh, Director – Member,
- Mr.S.Krishna Prasad, Director (Finance) – Member,
- Mr.U.Venkata Ramana, Director (Technical) - Member
- Mr.Farzad Bahrami, Director representing NICO -Member

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

The details of Stakeholders Relationship Committee Meetings held during the Financial Year 2016-17 and Members present are given below:

Members Present	Attendance at the meetings held out of total number of meetings			Total
	22.05.2016	14.11.2016	23.01.2017	
Mr.G.Ramaswamy, Chairman (till 08.10.2016)	Yes	N.A	N.A	1/1
Mr.K.M.Mahesh (from 14.11.2016)	N.A	N.A	Yes	1/1
Mr.U.Venkata Ramana	Yes	Yes	Yes	3/3
Mr.S.Krishna Prasad	Yes	Yes	Yes	3/3
Mr.Alireza Zamani (till 23.02.2017)	Yes	Yes	Yes	3/3

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

Details of complaints received and redressed during the year 2016-17

During the year 450 complaints were received and all have been resolved. As on 31.03.2017, no complaints were pending.

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

6 COMMITTEE ON CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABLE DEVELOPMENT:
The Composition of Committee on CSR & SD as on 31.03.2017 is as follows:

- Mr.K.M.Mahesh, Director – Chairman
- Mr.S.Venkataramana, Director (Operations), Member
- Mr.U.Venkata Ramana, Director (Technical), Member
- Mr.S.Krishna Prasad, Director (Finance), Member

The Committee was reconstituted on 10.04.2017, with the induction of Dr.P.B.Lohiya and Mr.M.B.Dakhili as members and designating Dr.P.B.Lohiya as Chairman. Effective 10.04.2017, the composition of the Committee is as under:

- Dr.P.B.Lohiya, Independent Director – Chairman
- Mr.K.M.Mahesh, Director – Member
- Mr.S.Venkataramana, Director(Operations)-Member (upto 30.6.2017)
- Mr.S.Krishna Prasad, Director (Finance) – Member
- Mr.U.Venkata Ramana, Director (Technical) – Member
- Mr.M.B.Dakhili, Director - Member

The Terms of Reference of the Committee is as under

- To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken as specified in Schedule VII of Companies Act;
- To recommend the amount of expenditure to be incurred on the activities referred above
- To monitor the CSR Policy from time to time
- To institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the company
- To review CPCL's existing CSR policy from time to time as per guidelines issued by Government.
- To guide and suggest improvement in CSR activities/systems

The details of CSR & SD Committee Meetings held during the Financial Year 2016-17 along with the Members present are given below:

Members Present	Attendance at the meetings held out of total number of meetings				Total
	22.05.2016	06.07.2016	23.01.2017	19.03.2017	
Mr.G.Ramaswamy (till 08.10.2016)	Yes	Yes	N.A	N.A	2/2
Mr.K.M.Mahesh (from 14.11.2016)	N.A	N.A	Yes	Yes	2/2
Mr.S.Venkataramana	Yes	Yes	Yes	Yes	4/4
Mr.U.Venkataramana	Yes	Yes	Yes	Yes	4/4
Mr.S.Krishna Prasad	Yes	Yes	Yes	Yes	4/4

7. OTHER COMMITTEES OF THE BOARD

Sl.No	Name of the Committee	Role and Responsibilities	Members	Meetings held
1.	Project Committee	• To approve Capital investment upto Rs.100 crore and pre-feasibility expenses upto Rs.20 crore. • To recommend investment approval beyond Rs.100 crore to the Board of CPCL for consideration.	• Mr.Sanjiv Singh, Director – Chairman • Director (Finance) – Member • Director (Technical) or Director (Operations), depending upon the Proposal considered The Committee was reconstituted on 10.04.2017 Effective 10.04.2017, the composition of the Committee is as under: • Mr.Sanjiv Singh, – Chairman, • Mr.Mrutunjay Sahoo, Independent Director – Member, • Mr.K.M.Mahesh, Director – Member, • Mr.S.Krishna Prasad, Director (Finance) – Member, • Director (Technical) or Director (Operations) depending upon the proposal considered.	3
2.	Planning and Projects Committee	1.To approve capital investment exceeding Rs.10 crore and upto Rs.50 crore 2.To approve pre-feasibility expense exceeding Rs.5 crore and upto Rs.10 crore	1.Managing Director 2.Director(Operations) 3.Director(Technical) 4.Director(Finance)	21

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

8. GENERAL MEETING :

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

AGM Date	Location	Time	No. of Special Resolutions passed
20.08.2014	Kamaraj Arangam, 492, Anna Salai Chennai 600 006	03.00 pm	Nil
07.09.2015	Kamaraj Arangam, 492, Anna Salai Chennai 600 006	03.00 pm	Nil
07.09.2016	The Music Academy, 168, TTK Road, Royapettah, Chennai – 600 014	03.00 pm	Nil

No Extraordinary General Meeting of the Members was held during the year 2016-17.

9 POSTAL BALLOT DETAILS:

No approval of shareholders was sought by means of Postal Ballot during 2016-17.

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.

10. DISCLOSURES

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

a) Only one independent director was there till 08.10.2016. Two independent Directors have been appointed on 23.02.2017 and the requirement relating to separate meeting of Independent Directors will be complied with from financial year 2017-18.

b) Materially significant Related Party Transactions

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

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

c) Details of Non-Compliance during last three years

There were no cases of Non-compliance by the Company on any matter related to capital market during the last 3 years. No penalties / strictures were enforced on the Company by Stock Exchange / SEBI / any statutory authority, on any matter related to capital markets during the last three years.

d) Whistle-Blower Policy

The Board of Directors of the Company at the 260th Meeting held on 24.03.2009, accorded approval for the implementation of the Whistle Blower Policy in the Company. A copy of the Whistle Blower Policy is displayed in the Intra-net of the Company.

The Policy provides for the employees to report any improper activity resulting in violation of rules, laws, regulations or code of conduct by any of the employees to the competent authority or the Chairman of the Audit Committee. No personnel has been denied access to the Audit Committee. During the year, no complaint has been received under the Whistle-Blower Policy.

e) Compliance with mandatory requirements and adoption of non-mandatory requirements of corporate governance

i) CPCL has complied with all the mandatory requirement of the guidelines on Corporate Governance issued by SEBI except the requirement relating to minimum number of Independent Directors which is less than half of the total strength of the Board including one woman director. The Company has taken up the issue with the appointing authority, viz., Government of India. The appointment of additional Independent Directors including one woman director, is under the consideration of Government of India.

ii) As on 31.03.2017, the composition of Nomination and Remuneration Committee is not in line with the Provisions of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The company has re-constituted the Nomination and Remuneration Committee by

induction of Shri Mrutunjay Sahoo and Dr.P.B.Lohiya, Independent Directors on 10.04.2017. Effective 10.04.2017, the company is complying with the requirement.

iii) Compliance of Applicable Laws

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

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

The Board reviewed the Compliance Report of all laws applicable to the Company for the period 01.10.2015 to 30.09.2016 at the 313th Board Meeting held on 14.11.2016. The compliance report for the period 01.10.2016 to 30.09.2017 will be placed before the Board at the meeting scheduled in November 2017.

iv) Risk Assessment and Minimisation Procedures

Constitution of Risk Management Committee is not applicable for the company as the company is not in the top 100 listed companies determined on the basis of market capitalization.

However, the Company has developed a system and laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures shall be periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

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

The Action Taken Report on the Risk Management Policy for the year 2016-17 (including commodity price risk and hedging activities) was reviewed by the Audit Committee and Board at the Meeting held on 15.05.2017.

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

The Securities and Exchange Board of India (SEBI) in 2003 had prescribed guidelines under SEBI (Prohibition of Insider Trading) Regulations, 1992 requiring listed entities to frame a Code of Conduct for prevention of Insider Trading. Accordingly, the Board of CPCL at its meeting held on 28.03.2003 and further amended at the meeting held on 24.03.2009 had adopted a model Code of Conduct for dealing with the securities of CPCL, which became effective from 01.04.2003. The Code is applicable to the Directors, General Managers and Designated Employees of certain departments.

SEBI vide notification dated 15.01.2015 repealed the Insider Trading Regulations, 1992 and replaced the same with SEBI (Prohibition of Insider Trading) Regulation, 2015 which became effective from 15.05.2015.

As per the new Regulations, CPCL has formulated the new "Code for prevention of Insider Trading in the securities of CPCL (Insider Trading Code) based on the new regulations and the same was approved by the Board at its meeting held on 23.05.2015.

vi) Compliance Certificate

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance requires every listed Company to obtain a certificate from either the auditors of the Company or a Practicing Company Secretary regarding compliance of conditions of Corporate

Governance and annex the certificate with the Directors' Report, which is sent annually to all the shareholders. The Company has obtained a certificate to this effect from the Auditors of the Company as required under the SEBI Regulations and DPE Guidelines and the Certificates are given as annexures to the Directors' Report.

The company has adopted the following non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

1) Unqualified financial statement

2) Training to Directors

Training to Directors in the area of Corporate Governance is always given utmost importance by Management. The two newly appointed independent directors were sponsored for the training program on capacity building for Non-Official Directors organized by Department of Public Enterprises on 27th and 28th February 2017.

f) CEO / CFO Certification

The required certification from the Managing Director and Director (Finance) being the CEO and CFO respectively was obtained and placed before the 84th Audit Committee Meeting and 316th Board meeting held on 15.05.2017.

g) Integrity Pact:

CPCL signed a Memorandum of Understanding (MOU) with Transparency International India (TII) in 2008 for implementing an integrity pact program focused on enhancing transparency, probity, equity and competitiveness in its procurement process. 90 major contracts were covered under the integrity pact during 2016-17 and the threshold limit for entering into integrity pact was further revised downward from Rs.2.00 crore to Rs.1.0 crore.

h) 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.

i) Details of familiarization programs imparted to independent directors

Training to Directors in the area of Corporate Governance is given utmost importance by the Management. The new Directors appointed are nominated for relevant Training Programs and the details can be accessed at://www.cpcl.co.in/corporate governance

j) Demat suspense account / unclaimed suspense account

No shares of CPCL were lying in the Demat suspense account or unclaimed suspense account as on 31.03.2017.

k) 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 including one woman director; composition of Nomination & Remuneration Committee . CPCL being a Government Company, is pursuing with the Government of India for induction of requisite number of independent directors, Including one woman director.

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 2016-17.

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 0.38% which is the same as compared to the previous year.

In the preparation of financial statement for the year 2016-17, the Company has not adopted an accounting treatment which is different from that prescribed in the Accounting Standard, in respect of any transaction.

11 MEANS OF COMMUNICATION

a) Financial Results

The Board of Directors of the Company approves the Un-audited quarterly Financial Results in the prescribed form and announces the results to all the Listed Stock Exchanges within the time limits prescribed under the SEBI (LODR) Regulations, 2015. The same are also published, within 48 hours in the newspapers viz., The Hindu and Makkal Kural (Tamil).

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

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

c) Website

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

d) Annual Report:

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

e) 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.

f) Investors cell

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

g) 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 2016-17 alongwith 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.

12. GENERAL SHAREHOLDER INFORMATION

a) 51st Annual General Meeting

Date & Time	:	24th August 2017; 03:00 pm.
Venue	:	Kamaraj Arangam 492, Anna Salai, Chennai –600 006
b) Financial Calendar	:	April – March
c) Book Closure Date	:	18.08.2017 to 24.08.2017 (Both days inclusive)
d) Dividend despatch date	:	The Board has recommended a dividend of 210% (Rs.21.00 per share) for the year 2016-17. Equity Dividend, if approved at the AGM, shall be paid to all the eligible shareholders well before the stipulated 30days period after the AGM as provided under the Companies Act, 2013
e) Listing on Stock Exchanges:	:	The Shares of the Company are listed on the Stock Exchanges at Mumbai and National Stock Exchange of India Limited. The listing fee for the year 2017-18 has been paid.
f) Stock Code	:	BSE – 500110
g) Trading Symbol in NSE	:	CHENNPETRO
h) ISIN No. for dematerialized shares	:	INE178A 01016

i) Market Price Data – High, Low and Close during each month in the last Financial Year

(in Rupees)

Month	NSE			BSE		
	High	Low	Close	High	Low	Close
Apr-16	228.25	195.75	213.75	228	195.95	213.75
May-16	220	189.35	200.4	219.4	189.2	200
Jun-16	204.1	178	197.35	204.2	178.95	197.3
Jul-16	276.5	196	266.85	276.3	196.25	266.95
Aug-16	301	255.65	294.5	300.6	255.7	294.25
Sep-16	312.4	274.15	287.25	312	275	286.8
Oct-16	304	279	283.5	303.85	278.4	283.7
Nov-16	290.8	226.65	278.85	290.25	230.8	278.1
Dec-16	286.25	251.55	273.9	286	252.1	273.8
Jan-17	360.95	271	329.8	360	273.4	329.75
Feb-17	404.7	326.2	379.85	405	326.6	378.9
Mar-17	387.35	355.45	363.05	387.5	357	362.75

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

Month	NSE		BSE	
	Close (Rs)	Index (CNX)	Close (Rs)	Index (S&P BSE 500)
Apr-16	213.75	7849.8	213.75	25606.62
May-16	200.4	8160.1	200	26668
Jun-16	197.35	8287.75	197.3	26999.7
Jul-16	266.85	8638.5	266.95	28051.9
Aug-16	294.5	8786.2	294.25	28452.2
Sep-16	287.25	8611.15	286.8	27866
Oct-16	283.5	8625.7	283.7	27930.2
Nov-16	278.85	8224.5	278.1	26652.8
Dec-16	273.9	8185.8	273.8	26626.5
Jan-17	329.8	8561.3	329.75	27656
Feb-17	379.85	8879.6	378.9	28743.3
Mar-17	363.05	9173.75	362.75	29620.5

k) Debt Securities:

The debt securities viz., Secured Redeemable Non –convertible Debentures(Series-II) to the extent of Rs.1000 crore issued in January 2014 are listed in the Whole-sale Debt Market Segment(WDM) of NSE. The company appointed M/s.Allbank Finance Limited as Debenture Trustees for the Debt security)

The contact details of Debenture Trustees are as under:

AllBank Finance Ltd.

1) Contact Person & No.: Mrs. Melvita Lewis, Company Secretary cum Compliance Officer

2) Ms.R.Padma

Asst. Vice President

Board No.: 91-22-22626283 Ext: 24

Address: Allahabad Bank Building, 2nd Floor, 37,

Mumbai Samachar Marg,

Fort, Mumbai – 400 023

l) Registrars and Share Transfer Agents:

(a) Hyderabad Office:

Karvy Computer Share Pvt. Limited,
Karvy Selenium Tower B,
Plot 31-32, Gachibowli Financial District,
Nanakramguda, Hyderabad - 500 032
Phone : 040-44655000/44655152
Fax No: 040-44655024
E-mail : mohsin.mohd@karvy.com, einward.ris@karvy.com
Website: www.karvycomputershare.com

(b)Chennai Office:

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

m) Share Transfer System:

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

The number of transfers approved and shares transferred from 01.04.2016 to 31.03.2017 are given below:

Sl.No.	Particulars	No. of Cases	Number of Shares Involved
1	Number of transfer deeds received	199	10900
2	Transfer deeds processed	140	4300
3	Defective transfer deeds sent to the proposed transferee for rectification of defects	59	6600

The number of meetings held for approving the Share Transfers from 01.04.2016 to 31.03.2017 is 28.

The number of demat requests approved and shares dematted from 01.04.2016 to 31.03.2017 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	333	39110
2	Number of demat requests processed	219	25500
3	Number of demat requests rejected, for non-receipt of physical share certificates within 30 days as per the requirement of NSDL	114	13610

The number of demat requests approved and shares dematted from 01.04.2016 to 31.03.2017 in Central Depository Services (India) Ltd. (CDSL) are given below:

Sl.No.	Particulars	Number of Demat Request Form (DRF)	Number of Shares Involved
1	Number of demat requests received	201	30700
2	Number of demat requests processed	129	15400
3	Number of demat requests rejected, for non-receipt of physical share certificates within 30 days as per the requirement of CDSL	72	15300

n) Distribution of Shareholding as on 31.03.2017

Shareholding of Nominal Value (Rs.)	Shareholders		Share Amount	
	Number	% of Total	Rs.	% to Total
upto 1 - 5000	57997	94.78	56813860.00	3.82
5001 - 10000	1579	2.58	12679950.00	0.85
10001 - 20000	710	1.16	10587740.00	0.71
20001 - 30000	260	0.42	6603750.00	0.44
30001 - 40000	106	0.17	3794640.00	0.25
40001 - 50000	102	0.17	4775450.00	0.32
50001 - 100000	178	0.29	12706300.00	0.85
100001 & ABOVE	262	0.43	1381152310.00	92.76
Total:	**61194**	**100.00**	**1489114000.00**	**100.00**

o) Shareholding Pattern as on 31.03.2017:

DESCRIPTION	No. OF SHARES		TOTAL	%TO SHARES	NO. OF SHAREHOLDERS		TOTAL
	Physical	Electronic			Physical	Electronic	
Indian Oil Corporation Limited	0	77265200	77265200	51.89	0	1	1
Naftiran Inter-trade Co. Ltd.	0	22932900	22932900	15.40	0	1	1
Public (including Employees)	1184773	11858723	13043496	8.76	10875	43515	54390
NBFC	0	124527	124527	0.08	0	11	11
Bodies Corporate	21400	2763818	2785218	1.87	71	655	726
Banks, FIs and Insurance Companies	100	9417705	9417805	6.32	1	19	20
Mutual Funds and UTI	9000	3015920	3024920	2.03	16	13	29
Foreign Institutional Investors	4200	717914	722114	0.48	11	12	23
Non-Resident Indians/OCBs/FN/ Foreign Portfolio Investors/Non-Resident Indians (Non Repatriable)	598000	18997220	19595220	13.16	4438	1555	5993
Total	**1817473**	**147093927**	**148911400**	**100.00**	**15412**	**45782**	**61194**

p) Top Ten Shareholders as on 31.03.2017 (Other than Promoters)

SNo	Name	Shares	% Equity
1	LIFE INSURANCE CORPORATION OF INDIA	2811141	1.89
2	THE NEW INDIA ASSURANCE COMPANY LIMITED	2765072	1.86
3	LIC OF INDIA MARKET PLUS 1 GROWTH FUND	1829853	1.23
4	GOLDMAN SACHS (SINGAPORE) PTE	1617904	1.09
5	GENERAL INSURANCE CORPORATION OF INDIA	1500000	1.01
6	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE PURE VALUE FUND	1350500	0.91
7	ACADIAN EMERGING MARKETS SMALL CAP EQUITY FUND LLC	1277758	0.86
8	MORGAN STANLEY MAURITIUS COMPANY LIMITED	1236375	0.83
9	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	754474	0.51
10	LSV EMERGING MARKETS EQUITY FUND LP	642700	0.43

q) Dematerialisation of Shares And Liquidity

The dematerialisation facility exists with both the National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the convenience of shareholders. As on 31.03.2017, 1,47,093,927 equity shares have been dematerialized, representing 98.78 % of the paid-up capital.

As a proactive step, the company has sent letters in April 2017 to the shareholders who have not dematerialized their shares explaining the merits of dematerialisation and requesting them to demat their shareholding.

r) 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
2009-2010	06.09.2010	05.10.2017
2010-2011	12.09.2011	11.10.2018
2011-2012	11.09.2012	10.10.2019
2012-2013	No Dividend	
2013-2014		
2014-2015		
2015-2016	07.09.2016	06.10.2023

The dividend payable to Naftiran Intertrade Company Limited for the year 2015-16 amounting to Rs.9,17,31,600 /- could not be remitted to NICO due to non-availability of banking channels on account of US/EU sanctions against Iran and the amount is kept in a Un-paid Dividend Account-NICO – 2015-16 with HDFC Bank, the Dividend Banker and the remittance will be made immediately on availability of banking channels.

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. 07.09.2016 in the prescribed form with the IEPF and also hosted it on company's website www.cpcl.co.in.

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.

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.

In line with the IEPF Rules, the company has sent communication to all such shareholders, whose dividend has remained unpaid / unclaimed for a consecutive period of 7 years from the year 2009-10, with a request to claim the dividends.

s) Outstanding GDRS/ADRS/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity

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

t) 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]

u) Address for Correspondence

Chennai Petroleum Corporation Limited,

No.536, Anna Salai, Teynampet,

Chennai – 600 018

Phone: 044-24349833

Fax: 044- 24341753

Email: sld@cpcl.co.in

v) CIN No.: L40101TN1965GOI005389

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

REPORT TO SHAREHOLDERS

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- Annexures to Directors' Report 53 - 94

DIRECTORS' REPORT 2016-2017

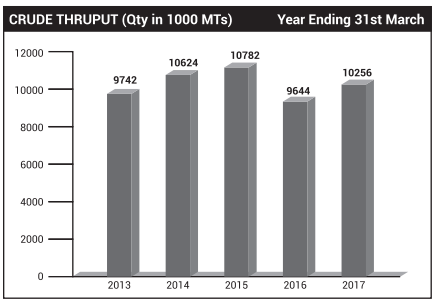
To the Shareholders of Chennai Petroleum,

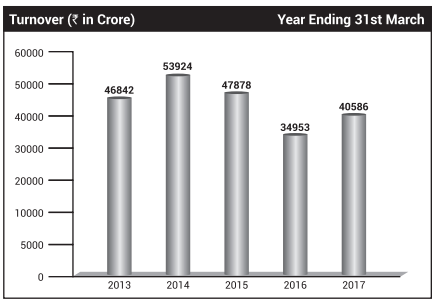
On behalf of the Board of Directors of your Company, it gives me great pleasure to report yet another year of exemplary performance of your Company and to present the 51st Annual Report on the working of your Company, together with the Audited Statement of Accounts, Auditors' Report and the Report of the Comptroller & Auditor General of India on the Accounts for the year ended March 31, 2017.

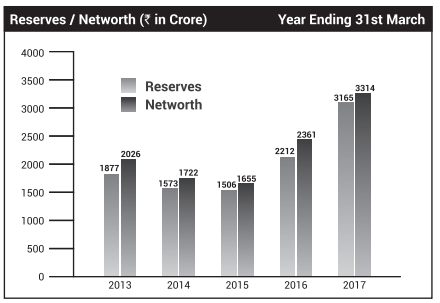
PERFORMANCE REVIEW

FINANCIALS:

Your Company has prepared the financial statements in line with the provisions of the Companies Act 2013 and the IndAS Accounting Standards issued by the Institute of Chartered Accountants of India.







The highlights of Standalone & Consolidated financial results are as under : **(₹ in crore)**

Particulars	Standalone		Consolidated	
	2016-17	2015-16	**2016-17**	2015-16
Gross Turnover	**40586**	34953	**40586**	34953
Profit before Interest, Depreciation and Tax	**1978**	1385	**1972**	1378
Interest	**273**	352	**273**	352
Depreciation, Amortization and Impairment	**340**	274	**340**	274
Profit / (Loss) before Tax	**1365**	759	**1359**	752
Share of Profit of Joint Ventures	**-**	-	**27**	26
Profit / (Loss) before Tax	**1365**	759	**1386**	778
Tax Expense				
Current Tax	**308**	17	**308**	17
Deferred Tax	**27**	-	**27**	-
Profit /(Loss) for the year (after tax) - A	**1030**	742	**1051**	761
Other Comprehensive Income (after tax)- B	**(6)**	(2)	**(6)**	(2)
Total Comprehensive Income (Comprising profit/(loss) and other comprehensive income for the year) – A+B	**1024**	740	**1045**	759
Value Added	**2805**	2078	**2832**	2104

Compliance with IndAS

Your Company has prepared the financial statements as per the requirements of IndAS as stipulated under Section 133 of the Companies Act, 2013 read with the relevant rules thereunder. These financial statements have been prepared in accordance with IndAS for the first time, being mandatory from 1st April 2016 and the previous year's figures have been accordingly restated.

Highlights of Standalone Financial Performance during the year 2016-17:

The year 2016-17 was a hallmark year for the Company and the highlights are as under:

- The turnover registered an increase of 16% at Rs. 40,586 crore, as compared to Rs. 34,953 crore in the previous year, on account of increase in both the quantity of products sold and price variation.
- The Company registered its second highest Profit Before Tax since inception at Rs. 1,365 crore in the current year with an increase of 80% as compared to Rs. 759 crore in the previous year.
- The Total Comprehensive Income witnessed a steep increase of 38% at Rs. 1,024 crore as compared to Rs.740 crore in the previous year.
- The Gross Refining Margin in the current year rose to $ 6.05/bbl as compared to $5.27/bbl in the previous year.

Dividend

The Board recommended a Preference dividend of 6.65% payable to Indian Oil Corporation Ltd., the holding Company, as per the terms and conditions of the offer document, on the paid-up Preference Share Capital of the Company for the financial year 2016-17, which amounts to Rs. 0.665 per preference share, and the same has been accounted for as part of Finance Cost in line with IndAS requirements.

In view of the excellent financial performance, your Board is happy to recommend a dividend of 210% on Equity Share Capital for the financial year 2016-17 amounting to Rs. 21/- per equity share, which is the highest ever.

Book Value

The book value per share of your Company improved significantly from Rs. 158.58 as on 31st March, 2016 to Rs. 222.54 as on 31st March, 2017, registering an increasing of 40%.

Reserves and Surplus

The Reserves and Surplus as on 31st March, 2017 were noticeably higher at Rs. 3,164.81 crore as compared to Rs. 2,212.43 crore as on 31st March, 2016.

Value Addition

The value addition during the year improved to Rs. 2,805 crore as compared to Rs. 2,078 crore in the previous year.

Digital India Initiative

Your Company continuously monitors the promotion of payments through digital means to achieve a cashless campus and endeavours to extend the necessary support to all its stakeholders in achieving the objectives of the Government of India for moving towards a cashless economy. In this regard, the company has implemented a 100% e-payment and e-collection system through digital means for all its stakeholders, viz., employees, vendors, contractors, service providers, etc. In addition, awareness camps were also conducted for the CISF personnel who are providing security to our Refinery at Manali and their families, students of the CPCL Polytechnic College, family members of CPCL employees at the township in CPCL CBR Refinery, women contract labourers, etc.

During the year, through constant persuasion and campaigns, your Company has ensured opening of bank accounts by all contract workmen.

Contribution to Exchequer

Your Company has consistently been the largest contributor in Tamil Nadu to both State and Central Exchequer in the form of duties and taxes. The details are as under:

(₹. in crore)

Particulars	**2016-17**	2015-16
Central Exchequer	**13,270**	8,882
State Exchequer	**436**	444
Total	**13,706**	9,326

In recognition of its contribution towards revenue and industrial growth, your Company was awarded the Highest Tax Payer Award 2015-16 by the Central Excise Department for being the top assessee in the Chennai Zone.

Public Deposit Scheme

Your Company has not accepted any public deposits during the year 2016-17 and no public deposit was outstanding as on 31st March, 2017.

Transfer of Unclaimed Dividend to IEPF

Your Company has transferred to the Investor Education and Protection Fund the required amount as per Section 124 of the Companies Act, 2013 within the stipulated time.

PHYSICAL:

CRUDE OIL THRUPUT (in TMT)	**2016-17**	2015- 16
Imported	**8,092**	7,243
Indigenous	**2,164**	2,401
Total crude	**10,256**	9,644

PRODUCTION (in TMT)		
Light Ends	**2,158**	2,093
Middle Distillates	**5,290**	4,899
Lube Base Stock	**160**	188
Wax	**21**	21
Heavy Ends	**1,730**	1,554
Intermediates	**(41)**	(13)
Fuel & Loss	**938**	902
Total output	**10,256**	9,644
Distillate Yield	**72.6**	72.5

(TMT = Thousand Metric Tonnes)

Operational Performance

Your Company achieved a throughput of 10.256 million metric tonnes per annum (MMTPA) during the year 2016-17 and exceeded the MoU target of 10.250 MMTPA after a gap of seven years despite the impact of Cyclone Vardah. The distillates yield was the highest ever at 72.6% as against the previous best of 72.5% in 2015-16. The Fuel & Loss for the year was lower at 9.1 wt.% as compared to 9.3 wt.% in the last year. The Energy Intensity Index (EII) was the lowest at 101.3 against the previous lowest of 101.9 in the year 2014-15.

Your Company successfully completed OHCU revamp shutdown in February 2017, improving its capability of handling coker streams and enhancing its capacity. The MS production was the highest at 1,105 TMT as against the previous best of 1,050 TMT in 2014-15; the isomerate production was the highest at 166 TMT as against the previous best of 135 TMT achieved in 2011-12.

During the year, Manali Refinery achieved a crude oil throughput of 9,725 TMT in 2016-17 as compared to the previous year's figure of 9,100 TMT. It processed one new crude E.A. blend (Low-Sulphur category) from Nigeria, which was added to the regular basket.

During the year, Cauvery Basin Refinery achieved a crude oil throughput of 530.8 TMT in 2016-17 as compared to the previous year's figure of 543.6 TMT. The distillate yield during the year was at 78.2 wt% as compared to 79.3 wt% in the previous year. Natural gas processed in 2016-17 was 72.0 TMT, as compared to the previous year's figure of 79.2 TMT. Fuel & Loss was at 4.2 wt.% as compared to 4.0 wt.% in the previous year.

During the severe Cyclone Vardah on 12th December 2016, which hit Chennai directly, your Company's employees have shown great courage and commitment in ensuring safe operations of major units and utility systems. Subsequently, the affected units were restarted within the shortest possible time and product supply to the market was maintained.

The Central Pollution Control Board (CPCB) has directed your Company to establish on-line connectivity of stack emission data to CPCB immediately, similar to the one existing with TNPCB since 2015. Your Company initiated immediate action and completed the job by 8th May 2017 and intimated compliance to CPCB.

MoU PERFORMANCE

Your Company signed an MoU with Indian Oil Corporation Limited, the holding Company, setting the performance parameters and targets for the year 2016-17, as per the guidelines issued by the Department of Public Enterprises (DPE). Your Company has received 'Very Good' rating from DPE in respect of the MOU for the year 2015-16.

MARKETING

M/s.Indian Oil Corporation Limited, the holding company, markets a majority of the fuel products produced by your Company.

The details of sales of major products through direct marketing by your Company during 2016-17 over the previous year are tabled below:

[Figures in TMT]

S.No.	Product	2016-17	2015-16
1	LABFS	**58.11**	54.05
2	Paraffin Wax	**23.22**	20.08
3	Naphtha	**209.41**	180.31

During the year, 29 new customers were registered for supply of food grade hexane, propylene, sulphur and paraffin wax. Four customer meets were conducted during the year at various locations.

During the year, fresh agreements were signed with Indian Additives Ltd. and Kothari Petrochemicals Ltd. for sale of fuel oil and lean Poly Butylene Feedstocks respectively.

In recognition of its contribution to exports, your Company was conferred with the Export Excellence Award for the year 2014 under "Top Exporter in Southern Region" in Gold category by Federation of Indian Exports Organisation (FIEO).

RESEARCH AND DEVELOPMENT (R&D)

Your Company's R&D Centre attaches importance for continuous upgradation of technologies, building R&D capabilities and expertise in various areas of refinery operations.

The R&D policy of your Company lays emphasis on providing technological inputs to meet the corporate objective of technical excellence in all aspects of refinery operations; promoting indigenous technologies for refinery processes in association with national laboratories/academic institutions; and developing new products and upgrading the quality of the existing petroleum products.

Major R&D projects undertaken during the year include the following:

- Project on "Development of Low-aromatic and Ultra Low-Sulphur Jet Fuel for Air Breathing Engine Applications (JP-7)"
- Development of an eco-friendly, low-cost synthetic process for production of exotetra-hydrodicyclopentadiene (JP-10)
- Development of Naphtha Isomerisation Catalyst Process (lab-scale)
- Renewable crude and liquid hydrocarbon fuels from algae to bio-crude. The project was initiated after obtaining approvals from Scientific Advisory Committee (SAC) on Hydrocarbons of the Ministry of Petroleum & Natural Gas.

PROJECTS

Your Company lays emphasis on conceiving, developing and implementing projects keeping in view operational necessities. Project schedules and costs are being monitored regularly to ensure effective and timely implementation. Your Company achieved Plan and Non-plan expenditure of Rs. 1,134 crore and Rs. 135 crore respectively, totaling Rs.1,269 crore during the year.

ONGOING PROJECTS

As a part of its growth strategy, the Company has undertaken the following projects aimed at capacity expansion, value addition, reliability improvement and quality Up-gradation.

Manali Refinery

Resid Upgradation Project

Your Company is implementing the Resid Upgradation Project at an estimated cost of Rs. 3,110 Crore to increase distillate yield and maximise the processing of high-sulphur, heavy crudes. The project consists of new secondary processing units like Delayed Coker Unit (DCU), Sulphur Recovery Unit, Revamp of Once-through Hydrocracker Unit (OHCU) and addition of associated utilities and offsite facilities. The revamp of OHCU has been completed and commissioned during March 2017. The DCU has been mechanically completed during February 2017 and other associated utilities & offsite facilities are under various stages of construction/commissioning.

New Crude Oil Pipeline

A new crude oil pipeline with additional safety features from Chennai Port to Manali Refinery, as a replacement for the existing 30-inch pipeline, is under implementation at an estimated cost of Rs. 258 crore. The project is expected to be mechanically completed by February 2018.

Diesel Hydrodesulphurisation (DHDS) unit Revamp Project:

In order to enable production of entire diesel from Manali Refinery meet BS-IV quality norms, your Company is revamping the existing DHDS unit from 1.80 MMTPA to 2.34 MMTPA at an estimated cost of Rs. 367 crore. All major equipment, including a new reactor, have been received and erected.

BS-VI Auto Fuels Quality Project:

As per the directives of the Government of India, the entire production of diesel from CPCL, along with other refineries in the rest of the country, has to meet BS-VI quality norms with effect from 1st April 2020.

For complying with the requirement of BS-VI diesel norms, the existing Diesel Hydro-treating (DHDT) unit is being revamped to increase the capacity from 1.8 to 2.4 MMTPA along with a new Sulphur Recovery Unit and other associated facilities. Further, to meet the requirement of BS-VI petrol norms, installation of a new FCC Gasoline Desulphurisation unit with a capacity of 0.6 MMTPA along with other associated facilities is under implementation. The project is expected to be mechanically completed by June 2019.

Cauvery Basin Refinery

Completed Project:

A 150 KW rooftop grid-connected solar power plant was successfully installed at the control room and substation-1 building of Crude Distillation Unit.

Ongoing Project:

To enable direct coastal loading of diesel from Cauvery Basin Refinery (CBR), provision of new diesel storage tanks of 2x10 tkl (thousand kilolitres) capacity, coastal loading pumps and associated pipelines is nearing completion.

PROPOSED PROJECTS:

Re-Gasified Liquefied Natural Gas (R-LNG):

It is proposed to replace Naphtha and Fuel Oil with RLNG to be supplied by IOCL. This will require revamping Hydrogen Generation Units (HGU), Modifications in Gas Turbines (GT) and Boilers. The project is expected to be mechanically completed from December 2019 onwards.

Refinery Expansion Project at CBR

Your Company is examining the feasibility of a new 9-MMTPA Refinery Expansion Project at CBR. Pre-feasibility study for the same was carried out through M/s. Engineers India Ltd.

INFORMATION TECHNOLOGY

Your Company firmly believes that information technology is integral to all facets of its operations to sustain growth and profitability. During the year, an IT Asset Management System has been implemented to classify IT assets based on the criticality and to maintain an IT asset register. In order to strengthen cyber-security, a new log server for auditing was installed and CCTV camera surveillance was provided at the Manali Data Centre.

HEALTH, SAFETY AND ENVIRONMENT

Health

Your Company endeavours to achieve best standards of excellence in the healthcare of its workers and has an Occupational Health Services Centre, with the latest equipment manned by qualified professionals.

The OHS Centre is the first to be set up in the oil industry and acts as a resource centre for providing professional and technical assistance to other industries. It is manned round-the-clock with two life-support ambulances to manage all medical emergencies.

As part of health surveillance, a majority of the employees underwent comprehensive medical examination. In addition, the health of the contract workers, security personnel and canteen workers was checked as per the statutory requirements.

Health awareness programmes were also conducted for the benefit of the employees. During the year, occupational hygiene surveys were carried out at Manali and CBR as per schedule to evaluate employees' exposure to noise, heat, light and chemical hazards.

Safety

Your Company continuously strives to attain all-round improvement in its safety performance by adhering to the best safety standards and demonstrating its concern not only for the safety of its employees but also that of its contractors, customers and the community at large.

Significant safety initiatives undertaken during the year include the following:

- Replacement of old fire tender with a new one.
- Provision of automatic rim-seal fire detection and protection system for all Class-A large-scale floating-roof storage tanks in Manali and CBR Refineries.
- Inspection of usage of spark arrestors approved by Petroleum and Explosives Safety Organisation (PESO) for all vehicles, including bitumen trucks, contractors' vehicles and transport cabs entering the refinery.
- Speed check of vehicles inside the refinery using 'radar speed-gun' to monitor and maintain speed limits.
- Safety Audits: Third-party occupational health & safety audit carried out by M/s. Bureau Veritas Certification India Private Ltd., Chennai; pre-commissioning safety audits by OISD teams for the revamped OHCU plant and DCU-Resid Project; first comprehensive safety audit by PESO.

Onsite emergency mock-drills were conducted at Manali Refinery in September 2016 and February 2017. Monthly mock-drills conducted with creation of different scenarios.

Environment

Environment protection and ecological balance continues to remain one of the avowed objectives of your Company. Significant environmental initiatives undertaken during the year include the following:

- Proposal for online connectivity of the balance stacks and effluent analysers to TNPCB & CPCB initiated.
- Emergency Response and Disaster Management Planning (ERDMP) re-certification audit carried out by Disaster Management Institute, Bhopal, in line with the guidelines of MoP&NG.
- Leak Detection and Repair (LDAR) programme carried out on a regular basis as per the environment rules.

- Online stack monitoring station, ambient air quality monitoring system and online ETP monitoring system are in operation at Cauvery Basin Refinery. Online data connectivity to State Pollution Control Board / Central Pollution Control Board from continuous ambient air quality monitoring Stations is being complied with.
- Secondary seals have been provided in Class-A petroleum storage tanks in Cauvery Basin Refinery to reduce fugitive emissions.

In recognition of its efforts in environment preservation, CBR was bestowed with 'Green Award' for industries from TNPCB for the year 2014 in June 2016, for the second consecutive year.

ENERGY CONSERVATION

Your Company accords utmost priority to various energy conservation measures besides monitoring and analysing fuel consumption and optimising plant operations on a regular basis.

Major energy conservation measures implemented by your Company during the year resulted in an estimated savings of about 14,000 SRFT/annum. The details of energy conservation measures are given in Annexure I.

In recognition of its efforts to minimise energy consumption, your Company has been awarded the OGCF-2016 Award for Furnace/Boiler Efficiency by the Centre for High Technology.

RELIABILITY IMPROVEMENT INITIATIVES

Major initiatives were undertaken at Manali Refinery during the year to ensure reliability of equipment, processes and product quality, chief among them being:

- Successful implementation of the recommendations of "Special Task Force Reliability Committee," which improved the operating factor of N2/O2 plant, resulting in savings in liquid Nitrogen procurement.
- Successful execution of Logics modification in DCS software for the PSA system, resulting in safeguarding the Hydrogen Reformer from possible tripping during changeover from 12-bed operation to 10-bed operation.
- Execution of major overhaul of all three Make-up Gas Compressors at OHCU, including replacement of third-stage cylinder, resulting in improvement in availability and reliability of compressors.
- Successful re-routing of 30-inch crude oil receipt line from Chennai port to Manali Refinery for a length of about 1.2 kms for accommodating fourth railway line near Tiruvottiyur, without affecting crude oil receipt and additional demurrage.
- Upgradation of fire-water piping for a length of 4 km completed, reducing fire-water leaks and improving the reliability of FW network.
- Intelligent pigging of 20-inch crude oil receipt line from CPCL oil jetty to CBR carried out for the first time ever.

HUMAN RESOURCES

The CPCL family has a firm foundation of discipline and productive work culture with highly motivated employees, which has enabled your Company to turnaround and scale new peaks of performance during the year.

The total manpower of your Company as on 31st March 2017 was 1,645, comprising 805 supervisors and 840 non-supervisors (1,637 as on 31st March 2016, comprising of 804 supervisors and 833 non-supervisors).

During the year, three Communication Meetings were conducted with collectives by Functional Directors and Managing Director to facilitate information-sharing.

Your Company continuously undertakes training and development initiatives to enable its employees realise their full potential and give their best. During the year 2016-17, the Company achieved an overall performance of 2.1 training man-days by organising technical training, soft skills and health improvement programmes for the benefit of the employees. During the year, 1,946 employees were nominated for 79 internal programmes on Operations, Maintenance, Management Development and other topics, and 345 employees were nominated for various programmes on functional areas conducted by external agencies.

Your Company has been following the Presidential Directives and various instructions of the Government relating to the welfare of the SC, ST, OBC and Persons with Disabilities. Out of the total manpower, there were 392 SC employees (previous year: 399) and 38 ST employees (previous year: 37) as on 31st March 2017 constituting 23.83% and 2.31% of the total manpower respectively.

The statistics relating to representation of SCs/STs/OBCs in the prescribed proforma as on 1st Jan. 2017 is given in Annexure-II.

Your Company is implementing the provisions of the Disabilities Act 1995 by way of 3% reservation for physically challenged and disabled persons. In line with the provisions, two backlog vacancies were cleared through a special recruitment drive. In addition, various concessions and relaxations are being extended to physically challenged persons in the recruitment process in line with Government guidelines.

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

Your Company gives utmost importance to prevention of sexual harassment of women at workplace. There is an Internal Complaints Committee to handle sexual harassment complaints and conduct enquiries, if any, in line with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. There were no complaints of sexual harassment during the year.

Sensitisation programme on the Act was conducted for women employees on 24.08.2016.

WOMEN EMPOWERMENT:

Your Company endeavors to provide equal opportunity for women in employment. As on 31.03.2017, 86 women employees are on the rolls of the Company, of whom 46 are in the supervisory grade and 40 are in non-supervisory grade, constituting 5.71% of the total supervisory employees and 4.76 % of the total non-supervisory employees.

Recognising the efforts in the area of women empowerment, Women In Public Sector (WIPS), a forum under the aegis of the Standing Conference of Public Enterprises (SCOPE) awarded your Company the Best Enterprises Award for the year 2016 under Mini Ratna category.

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

Your Company firmly believes in the concept of inclusive development and rightly aligns its objectives and business goals by looking beyond financial considerations while discharging its social obligations.

The CSR and Sustainable Development activities of your Company focus on education, health, sanitation and community initiatives. Even though the Company was not mandatorily required to incur any expenditure on CSR during 2016-17 in view of losses suffered in the past, a sum of Rs.187.51 lakh was spent during the year 2016-17 on various CSR & SD projects and initiatives under broad categories like health, education, skill development, etc.

Your Company has been in the forefront in playing the role of a responsible corporate citizen. In December 2016, when Chennai city was battered by Cyclone Vardah, sarees, sewing machines, tri-cycles for the disabled, brass iron boxes, etc., valuing Rs.3.71 lakh were distributed among the poor and needy dwelling in the neighbourhood of Manali Refinery. CBR contributed a sum of Rs.1 lakh to the District Collector, Nagapattinam towards purchase of lifebuoys and life jackets.

The CSR Policy of the Company can be accessed at the website of the Company under the link http://www.cpcl.co.in/policies.

A detailed report on CSR activities as per the provisions of the Companies Act, 2013 along with CSR Highlights during the year are attached at Annexure-III to the report.

The company also published a report on Corporate Sustainability for the year 2015-16 and the same is available in the link https://www.cpcl.co.in/corporategovernance.

Significant measures undertaken in the areas of sustainable development include the following:

- Installation of a 20-KW solar power plant on the roof-top of the Corporate Office building in Teynampet, Chennai.
- Installation of a 150-KW grid-connected roof-top solar power plant at CBR Control Room and Substation-1.

VIGILANCE

The Vigilance Department of your Company is headed by the Chief Vigilance Officer who has been appointed on deputation by the Central Vigilance Commission. Your Company continues to vigorously pursue and lay greater emphasis on preventive vigilance measures. Vigilance Department assists the management in promoting transparency, accountability, integrity and honesty amongst employees.

Integrity Pact has been implemented as per the guidelines of the Government. The threshold limit was reduced to Rs.1 crore, so as to enhance coverage of contracts under Integrity Pact.

PUBLIC GRIEVANCES

Your Company gives importance to timely redressal of public grievances. Contact details of Public Grievance Officer are displayed on the website of the Company, under the link https://www.cpcl.co.in/grievances. During the year 2016-17, nine public grievances were received and disposed off in time.

CORPORATE GOVERNANCE

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report covering initiatives taken with regard to Environment, Social and Governance perspective prepared in accordance with SEBI (LODR) Regulations 2015 forms part of the Annual Report- **Annexure-VI.**

AUDIT COMMITTEE

The composition of the Committee as on 31.3.2017 is as under:

- Mr. Mrutunjay Sahoo, Independent Director – Chairman.
- Dr. P.B. Lohiya, Independent Director , Member
- Mr. K.M. Mahesh, Government Director, Member

Director (Finance) is a 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/codeofconduct. 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 15th May 2017.

RISK MANAGEMENT

Your Company has a documented Risk Assessment and Management Policy. The Committee constituted for this purpose identified the risks applicable to the Company, both internal and external, suggested risk minimisation measures and formulated the Risk Management Policy.

The Action Taken Report on the Risk Management Policy for the year 2016-17 was reviewed by the Audit Committee and the Board at the Meeting held on 15th May 2017.

INTERNAL FINANCIAL CONTROLS

Your Company has adequate Internal Financial Controls for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, which is commensurate with the size of the Company and the nature of its business to protect the interests of the Company.

Your Company has an Internal Audit Department with qualified professionals to carry out audits covering various areas of operations. Internal audit plans are reviewed by the Audit Committee. The Statutory Auditors, in their report dated 15th May 2017, have opined that 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 31st March 2017 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. R Subramanian & Company LLP, Chennai and M/s. S Viswanathan LLP, Chennai, were appointed as Joint Statutory Auditors of the Company for the financial year 2016-17 by the Comptroller and Auditor General of India. The Board of Directors of the Company fixed a remuneration of Rs.16 Lakhs p.a. (Rs. 8.00 Lakhs to each of the Joint Statutory Auditors) in addition to out-of-pocket expenses, if any, and applicable service tax.

There are no qualifications in the Statutory Auditors report dated 15.05.2017 on the annual accounts for the financial year 2016-17.

COST AUDITORS

M/s. M Krishnaswamy & Associates, Cost Accountants, Chennai, was appointed as the Cost Auditor of Manali Refinery and Cauvery Basin Refinery of the Company for the financial year 2016-17 at a total remuneration of Rs. 2,00,000/- p.a. plus applicable taxes and out-of-pocket expenses, if any, to conduct the audit of Cost Accounts maintained by the Company subject to ratification by the shareholders in the Annual General Meeting.

The cost audit for the year 2015-16 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 2016-17 would also be filed within the stipulated time.

SECRETARIAL AUDIT

The Secretarial Audit Report for the year 2016-17 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, standards, etc., except the clause relating to appointment of Independent Directors, including one woman Director, separate meeting of independent directors and composition of Nomination and Remuneration Committee.

Two Independent Directors were appointed on 23rd February 2017 based on the communication from the Government of India.

The Nomination and Remuneration Committee has been reconstituted with the induction of two Independent Directors on 10th April 2017. Effective that date, the Company is complying with this requirement.

The appointment of additional Independent Directors, including one woman Director is under the consideration of the Government of India. The requirement relating to a separate meeting of Independent Directors will be complied with from the financial year 2017-18.

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 & Remuneration Committee do not include the terms provided under the Companies Act, 2013. The performance evaluation of all directors, excluding directors representing Naftiran Intertrade Company, one of the promoters of the company, is

carried out by the Administrative Ministry (MoP&NG), Government of India, as per applicable guidelines. The above is in line with the exemption provided to Government Companies by the Ministry of Corporate Affairs.

PUBLIC PROCUREMENT POLICY FOR MSMEs

Your Company complied with the Public Procurement Policy for MSMEs as per the directives of the Government of India by achieving a target of 34%, which is higher than the 20% target set for annual procurement from MSEs. The sub-target of 4% for procurement earmarked for enterprises owned by SC/ST entrepreneurs was met by way of procurement from other micro and small enterprises in line with the policy.

Your Company has also undertaken various initiatives to identify the entrepreneurs for procurement of goods and services from MSEs owned by SC/ST enterprises by way of conducting vendor development programmes, seeking list of SC/ST entrepreneurs from State Government, etc.

JOINT VENTURES

Indian Additives Limited (IAL):

Your Company entered into 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 Rs.23.66 crore. CPCL and Chevron hold 50% each in the share capital of IAL.

IAL achieved a turnover of Rs.642.41 crore during the year 2016-17, as against Rs. 650.28 Crore in the previous year. The Total Comprehensive Income for 2016-17 was Rs. 55.27 Crore as against Rs.51.10 Crore in the previous year. The Board of IAL has recommended a dividend of 50% for the financial year 2016-17.

National Aromatics and Petrochemicals Corporation Limited (AROCHEM):

Your Company entered into a 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 Rs. 5 lakh. CPCL and SPIC hold 50% each in the share capital of AROCHEM. Consolidation in respect of financials of this JV Company has not been incorporated in the preparation of Consolidated Financial Statements since this JV is not operational. The investments have been fully provided for diminution in value.

RELATED PARTY TRANSACTIONS (RPTs)

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

REPORT ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS

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

PARTICULARS OF EMPLOYEES

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

BOARD OF DIRECTORS

The following changes have occurred in the Board of the Company

1. The tenure of Mr. G. Ramaswamy, Independent Director, was completed on 08.10.2016.
2. Mr. Mrutunjay Sahoo, IAS, and Dr. P.B. Lohiya have been appointed as Non-Official Independent Directors on 23.02.2017, based on the communication from Government of India, Ministry of Petroleum and Natural Gas.

3. Mr. Mohammed Bagher Dakhili has been appointed as Director on 23.01.2017 in place of Mr. Yasin Rezazadeh based on the communication from Naftiran Intertrade Company Ltd., Tehran, Iran.

4. Mr. Farzad Bahrami has been appointed as a Director on 23.02.2017, in place of Mr. Alireza Zamani based on the communication from Naftiran Intertrade Company Ltd., Tehran, Iran.

5. The tenure of Mr. B Ashok, Chairman, was completed on 31.05.2017.

   Your Directors take this opportunity to place on record the excellent services and guidance rendered by him during his tenure as Chairman. Your Directors take pride in stating that his guidance and contribution on various aspects steered CPCL to show resounding physical and financial performance during the year and also to come out of BIFR reporting.

6. Mr. S.M. Vaidya, ED (Operations), IOCL has been appointed as a Director at the Board Meeting held on 23rd June 2017.

7. Mr. Sanjiv Singh has been appointed as the Non-Executive Chairman by the Ministry of Petroleum and Natural Gas effective 16.06.2017.

8. Mr. S. Venkataramana, Director (Operations) ceased to be a director on attaining the age of super-annuation on 30.06.2017. Mr. Gautam Roy, Managing Director is holding the additional charge of the post of Director (Operations) effective 01.07.2017, in terms of the letter dated 30.06.2017 from Ministry of Petroleum and Natural Gas, Government of India.

The Company received Certificates of Independence from Mr. Mrutunjay Sahoo, IAS, and Dr. P.B.Lohiya, Independent Directors, confirming that they meet the criteria prescribed for Independent Directors under the provisions of the Companies Act, 2013 and SEBI (LODR) 2015. Two Independent Directors have been appointed on 23.02.2017 and the requirement relating to a separate meeting of Independent Directors will be complied with from the financial year 2017-18.

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

No significant or material orders were passed by the Regulators or Courts or tribunals that impact the going concern status and company's operation in future.

VIGIL MECHANISM / WHISTLE-BLOWER POLICY

The Company framed a whistle-blower policy wherein the employees are free to report any improper activity resulting in violation of laws, rules, regulations or code of conduct by any of the employees, to the Competent Authority or Chairman of the Audit Committee, as the case may be. Any such complaint is reviewed by the Competent Authority or Chairman of the Audit Committee. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice. No employee has been denied access to the Audit Committee. The policy on Vigil Mechanism / Whistle-Blower can be accessed on the Company's website at the link https://www.cpcl.co.in/policies.

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

DETAILS OF LOANS / INVESTMENTS / GUARANTEES

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

EXTRACT OF ANNUAL RETURN

As required under the provisions of the Companies Act, 2013, the extract of Annual Return for the financial year ended 31st March, 2017 in the prescribed form MGT-9 is attached at Annexure-VIII to this report.

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, 2017, 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 judgements 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, 2017, 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.

During the year, 48 applications under the RTI Act were received and responded in time.

OFFICIAL LANGUAGE POLICY

Concomitant with the policy of the Government of India for Official Language Implementation, your Company endeavors to promote the progressive use of Hindi in official work. The Official Language Implementation Committee meets every quarter to review, discuss and provide guidance for effective implementation of the Official Language Policy in the Company.

STATUS OF BIFR REPORTING

With the increase in net worth to Rs. 3,361 crore as on 31st March 2016, your Company is out of reporting requirement to BIFR from 1st April 2016. Formal communication was sent to BIFR in October 2016 in this regard. The net worth as on 31st March 2017 was Rs. 4,314 crore, including preference share capital.

ACKNOWLEDGEMENT

Your Board of Directors acknowledge with sincere appreciation the unstinted support, cooperation and sincere efforts of all the employees who have contributed to the excellent performance of the company.

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

The Board would like to express its gratitude to all its stakeholders, including bankers, customers, contractors, vendors, etc., for their continued support and confidence reposed in the Company.

Your Directors also place on record their appreciation of the services rendered by other directors, viz., Mr. G Ramaswamy, Mr. Yasin Rezazadeh, Mr. Alireza Zamani and Mr. S. Venkataramana during their tenure.

For and on behalf of the Board

(Sanjiv Singh)
Chairman
DIN:05280701

Place: New Delhi
Date: 20-07-2017

ANNEXURE TO DIRECTOR'S REPORT **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 taken

a) Crude(CDU-I&II) stabilser off gas routing to FCCU WGC for LPG Recovery

b) Intermittent operation of Naphtha desulfurising unit by pooling various low sulfur naphtha streams as Hydrogen Reformer feed

c) Modification of OHCU feed pump warm-up line to reduce feed pump load

d) JP-5 produced for first time from OHCU, thereby Plant-4(KHDS) operation averted

e) Destaging of GT's HRSG Boiler Feed Water pump

f) Interconnection of GT 1, 2 and 3 BFW pump discharge line, to stop running one out of two pumps

g) High heat loss lines were identified through field thermal survey, and insulation was strengthened to minimize heat loss

h) Optimization of steam consumption in strippers, Vacuum ejectors and Deaerator.

i) Replacement of CT-6 fan blade

j) Old Power House (OPH), Boiler feed water pump drive changed to steam turbine(extraction)

The above measures resulted in an estimated savings of about 14000 SRFT / annum (0.14% savings on Fuel & Loss).

ii. Steps taken for utilizing Alternate Sources of Energy:

a) Solar Energy:

CPCL has installed and commissioned two roof top solar photovoltaic (PV) panels this year, 150 KW PV panel at CPCL CBR Refinery and 20 KW panel at CPCL Corporate office.

Solar panel installed at CPCL Polytechnic totalling 25 KW is already in service.

b) Wind Energy:

CPCL is the pioneer in renewable energy in oil sector. CPCL commissioned 22 wind mills with an installed capacity of 17.6MW at Pushpathur, TamilNadu.

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

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

The following additional investment proposals are being implemented:

- Nano-Dispersant dosing in one of the boiler to improve combustion efficiency
- Optimization of number of Amine treating unit operation after Resid project commissioning

B. TECHNOLOGY ABSORPTION

i) Efforts made in Technology absorption 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 and feed stocks for various process units help in improving the yields and optimum utilization of facilities.

Development of Naphtha Isomerization Catalyst (Lab scale):

Chlorided-alumina catalysts are used in commercial unit for Naphtha Isomerization processes. However, they suffer from major drawback of low tolerance for moisture & nitrogen.

The catalyst development Project in collaboration with NCCR, IITM Chennai aims at preparing high acidic catalysts which can be used for naphtha isomerization which will not have adverse effect due to moisture & nitrogen. The characterization of the developed catalysts and testing its activity for isomerization using model compounds were carried out. Two new catalysts based on supported sulfated zirconia and ionic liquid were developed and found to be very active for the isomerization reaction.

Special Studies:

1. Lab scale study on Lube potential of vacuum distillates from various crude sources

2. Pour point depressant study on Lube oil base stocks

Patent:

R&D filed a patent on 'A process for the production of low Poly Aromatic Hydrocarbon Rubber Process Oil from Fractionated Bright Neutral Extract'

Publication & Presentation:

1. Micro crystalline wax production-A value addition proposition to enhance margins of a LOBS refinery- Presented in Refinery Technology Meet - September 2016
2. Isomerization of alkanes over sulphated zirconia supported on SBA-15 –Poster Presentation in Asia Pacific Congress on Catalysts -January 2017.

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

R&D forays into defence applications and Renewable Energy sector.

1. Air Breathing Engine Applications (JP-7):

The development of JP-7 jet fuel is essential to our national defence, which will help India to attain parity with global scenario. This study will also open up new avenues for exploration of advanced jet fuel materials. In India, this fuel has not been produced or studied yet in detail. The purpose of this research plan is to develop JP-7 jet fuel using existing CPCL refinery streams.

R&D carried out dearomatisation of straight run kerosene and hydrocracker kerosene using hydrogenation route. The hydrocracker Kerosene which normally contains 20-25 % mono aromatics will be a good feedstock for production of jet fuels with less than 5% aromatics.

The hydrogenation studies were carried out using adjusted hydrocracker kerosene cut as feed in Pilot plant at R&D centre with commercially available hydrogenation catalyst. Several trial runs were conducted to optimize the operating conditions and produced 50 lit of JP-7.

2. Development of eco-friendly and low-cost synthetic process for the production of exo-tetrahydrodicyclopentadiene (JP-10):

JP-10 is a missile fuel used in defence applications. It is a single component fuel with high energy & density compared to the currently used JP series fuels. It is an exploratory study to develop a process to produce JP-10 fuel indigenously by a joint effort with IITM Chennai.

The main objective is to develop process for the hydrogenation of dicyclopentadiene into endo-tetrahydrodicyclopentadiene and its isomerization into exo-tetrahydrodicyclopentadiene in two step conversion process using eco-friendly and low-cost catalytic process.

Pilot plant study was carried out to produce JP-10 by using the commercial ISOM catalyst.

3. Algae to bio crude –CHT project

CHT approved algae to biocrude project "Mass cultivation and harvesting of marine algal consortium in open

raceway ponds for bio-crude production" with a fund allocation of Rs.386.34 lakhs and with the completion schedule of 24 months.

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

a. Technology imported	:	Nil
b. Year of Import	:	Not applicable
c. Has technology been fully absorbed	:	Not applicable
d. If not fully absorbed, areas where this has not taken place	:	Not applicable

iv) Expenditure on R&D

(Rs. in Lakhs)

	2016-17	2015-16
Capital	**60.28**	28.69
Recurring	**628.50**	668.64
Total	**688.78**	697.33
Total R&D expenditure as % of Gross Turnover	**0.0169**	0.0199

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total Foreign Exchange used and earned:

(Rs. in Lakhs)

	2016-17	2015-16
Used	**4023.17**	7655.66
Earned	**-**	-

Annual statement showing the representation of SC's /ST's 7 OBC's as on 01.01.2017 and number of appointments made in the preceding calendar year

ANNEXURE - II

Ministry / Department / Attached / Sub - Ordinate Office: Chennai Petroleum Corporation Limited, Chennai.

Groups	Representation of SC's /ST's & OBC's as on 01.01.2017				No of appointments made during the calendar year2016 (Jan – Dec 2016)									
					By Dir. Recruitment				By Promotion			By Deptn/Absorption		
	Total no of employees	SC's	ST's	OBC	TOTAL	SC'S	ST's	OBC	TOTAL	SC'S	ST's	TOTAL	SC'S	ST's
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group A Managerial / Executive Level	623	158	25	69	Nil	Nil	Nil	Nil	114	33	2	5	Nil	Nil
Group B Supervisory Level	165	35	0	25	4	2	Nil	2	45	9	Nil	Nil	Nil	Nil
Group C Workmen / Clerical Level	864	200	12	340	63	9	1	32	99	25	2	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	**1652**	**393**	**37**	**434**	**67**	**11**	**1**	**34**	**258**	**67**	**4**	**5**	**0**	**0**

Annual statement showing the representation of SC's /ST's & OBC's in various group "A" services as on 01.01.2017 and number of appointments made in various grades in the preceding calendar year

Ministry / Department / Attached / Sub - Ordinate Office: Chennai Petroleum Corporation Limited, Chennai.

Pay Scale (In Rupees)	Representation of SC's /ST's & OBC's as on 01.01.2017				No. of appointment made during the calendar year 2016 (Jan – Dec2016)									
					By Dir. Recruitment				By Promotion			By Other Methods		
	Total no of employees	SC's	ST's	OBCs	TOTAL	SC's	ST's	OBC	TOTAL	SC's	ST's	TOTAL	SC's	ST's
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*	*13*	*14*	*15*
29100-54500	246	57	11	30	NIL	NIL	NIL	NIL	41	9	2	1	NIL	NIL
32900-58000	176	41	7	19	NIL	NIL	NIL	NIL	28	5	NIL	2	NIL	NIL
36600-62000	73	17	5	14	NIL	NIL	NIL	NIL	16	5	NIL	NIL	NIL	NIL
43200-66000	56	21	2	5	NIL	NIL	NIL	NIL	11	4	NIL	NIL	NIL	NIL
51300-73000	42	14	NIL	1	NIL	NIL	NIL	NIL	10	5	NIL	2	NIL	NIL
51300-73000	21	5	NIL	NIL	NIL	NIL	NIL	NIL	5	3	NIL	NIL	NIL	NIL
51300-73000	9	3	NIL	NIL	NIL	NIL	NIL	NIL	3	2	NIL	NIL	NIL	NIL
TOTAL	**623**	**158**	**25**	**69**	**0**	**0**	**0**	**0**	**114**	**33**	**2**	**5**	**0**	**0**

SYMBOL OF VIBRANT GROWTH

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 Environment protection & Renewable sources of Energy 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. Upto 5% of the CSR Budget is earmarked for non-project activities. 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 31.03.2017

The Composition of Committee on CSR & SD as on 31.03.2017 is as follows:

1. Mr.K.M.Mahesh, Government Director – Chairman
2. Mr.S.Venkataramana, Director (Operations) - Member
3. Mr.S.Krishna Prasad, Director (Finance) - Member
4. Mr.U.Venkata Ramana, Director (Technical) - Member

3.0 AVERAGE NET PROFITS AND PRESCRIBED CSR EXPENDITURE:

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

Particulars	**(Rs/lac)**
Average net profit for last three financial years	(9773)
Prescribed CSR expenditure	NIL

Figures in bracket indicates loss.

*N*ote:

Even though the company's average net profit was negative during the preceding three financial years, an amount of Rs.187.51 lakhs was spent during the year 2016-17 for various CSR&SD Projects and initiatives.

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 2016-17.

Particulars	**(Rs/lac)**
a) Total amount spent during the year	187.51
b) Amount unspent	-

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

Refer Attachment

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

Since the Company's average net profit is Rs.(9773) lakhs during the last three financial years, there is no need to spend the minimum amount mandated.

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.Gautam Roy, Managing Director & CEO, Mr.K.M.Mahesh, Chairman CSR & SD Committee, do confirm that the implementation and monitoring of CSR policy, is in compliance with the CSR objectives and policy of the Company.

Managing Director & CEO

Place: Chennai
Date: 31.03.2017

Chairman (CSR & SD Committee)

SYMBOL OF VIBRANT GROWTH

CSR AND SD ACTIVITIES FOR THE YEAR 2016-17

Sl. No.	CSR Project (or) Activity Identified	Sector in which the Project / Activity is covered	Projects or Programmes: (1) Local area or other (2) Specify the State and Districts where projects or programmes were undertaken	Amount outlay (Budget) Project or Programme wise (Rs. in lakh)	Amount Spent on the Project or Programmes Sub-heads : (1) Direct Expenditure on Projects or Programme (2) Overheads (Rs. in lakh)	Cumulative Expenditure upto the reporting period (Rs. in lakh)	Amount Direct or through implementing Agency
1	CPCL Creche	Child Care	"Local Area Tamilnadu State Tiruvallur District"	2.00	2.00	2.00	Agency
2	Community Health Centre, Manali	Health	"Local Area Tamilnadu State Tiruvallur District"	12.45	12.45	12.45	Agency
3	Community Health Centre, Periyasekkadu	Health	"Local Area Tamilnadu State Tiruvallur District"	9.10	9.10	9.10	Agency
4	Community Health Centre, Thirunillai	Health	"Local Area Tamilnadu State Tiruvallur District"	9.18	9.18	9.18	Agency
5	Community Health Centre, Muttam (CBR)	Health	"Local Area Tamilnadu State Nagapattinam District"	11.64	11.64	11.64	Agency
6	Medical Camp - Manali	Health	"Local Area Tamilnadu State Tiruvallur District"	0.43	0.43	0.43	Direct
7	Medical Camp - Muttam - CBR	Health	"Local Area Tamilnadu State Nagapattinam District"	1.80	1.80	1.80	Direct
8	Evaluation of CSR&SD Activities of 2016-17 and Sustainable Report 2016-17 by MSSW	Others	"Local Area Tamilnadu State Tiruvallur District"	1.66	1.66	1.66	Agency
9	Merit Scholarship to School Students - Manali	Education	"Local Area Tamilnadu State Tiruvallur District"	5.00	5.00	5.00	Direct
10	Merit Scholarship to CPCL Polytechnic Students, Manali	Education	"Local Area Tamilnadu State Tiruvallur District"	15.00	15.00	15.00	Direct
11	Contribution to CPCL Educational Trust for running and maintaining the Polytechnic College	Education	"Local Area Tamilnadu State Tiruvallur District"	21.25	21.25	21.25	Direct
12	Swachh Bharath Activities (Manali and CBR)	Swachh bharat	"Local Area Tamilnadu State Tiruvallur District & Nagapattinam District "	68.04	68.04	68.04	Direct
13	Non Project Activities	Non project	"Local Area Tamilnadu State Tiruvallur District and Nagapattinam District"	6.84	6.84	6.84	Direct
14	Distribution of Basic Items to Public	Natural Calamity	"Local Area Tamilnadu State Tiruvallur District"	23.12	23.12	23.12	Direct
	TOTAL			**187.51**	**187.51**	**187.51**	

ANNEXURE-IV

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.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Shareholders of

Chennai Petroleum Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Chennai Petroleum Corporation Limited for the year ended March 31, 2017 as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 with the BSE Limited and NSE and the guidelines on Corporate Governance for Central Public Sector Enterprises, as enunciated by the Department of Public Enterprises (DPE).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as well as the DPE Guidelines for the year ended March 31, 2017, except the following:

a. The conditions relating to minimum number of Independent Directors on the Board which was less than the half of the total strength of the Board including One Woman Director and conduct of separate meeting of Independent Directors.

b. Composition of Nomination & Remuneration Committee which requires three non-executive directors with at least fifty percent of the directors as Independent directors

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

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

For 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:14th June 2017

ANNEXURE – V

MANAGEMENT DISCUSSION AND ANALYSIS

(Forming part of the Directors Report for the year ended 31.03.2017)

Economic Overview:

The global economy registered a growth rate of 3.5% during 2016-17 , higher than 3.1% during the previous year, mainly due to strong growth in India, China and United States, as per the International Monetary Fund (IMF) report in April 2017. With the envisaged higher growth in advanced economies, the Global GDP growth is likely to be higher at 3.6% in 2018. However, the commodity prices are expected to be low even for 2018 and many economies need to adjust to lower commodity revenues. India and China will continue to be the drivers of world economic growth in the near term.

The Indian economy registered a healthy growth rate of 7.1% during 2016-17, reflecting the inherent strength and long term potential growth that has been enabled due to many economic initiatives such as Make in India, Implementation of major GST reform, better utilisation of resources, etc. According to IMF report, Medium term growth prospects are favourable with expected growth rates around 8% due to implementation of key-reforms and appropriate fiscal and monetary policies. During the year 2016-17, the agricultural sector has grown at a healthy rate of 4.1% as against the previous year's growth rate of 1.2% while the manufacturing sector grew at 7.4% as compared to 9.3% in 2015-16.The Electricity, Gas, water supply and other utilities sector has registered a growth rate of 6.5% which is similar to previous year's growth rate.

The Indian economy has delivered a better performance on inflation front , registering lower increase in Consumer Price Index (CPI) at 3.81 % as on March 2017 against 4.83% at the end of March 2016. This is likely to improve private consumption growth in 2017-18, contributing to better economic growth. With the introduction of GST, the Indian economy is expected to grow further in 2018-19 and is expected to benefit more people with schemes like UJWAL, Infrastructure Development , initiatives to reduce NPAs, and others, leading to inclusive growth for all citizens.

Energy Scenario

As the world population and economies are expected grow in the future, the demand for energy will increase to support higher level of living standards for people in developing and emerging economies. As per the World Energy Outlook 2016 by International Energy Agency(IEA), the world's population is projected to increase to 915 crore by 2040, with African countries contributing to highest population growth. To cater to the energy needs of growing population, the world primary energy demand is likely to grow at 1% CAGR till 2040 . The additional requirement of primary energy is expected at 3736 MTOE by 2040, in spite of envisaged benefits due to higher energy efficiencies / new technologies in many consumer industries. Creation of such huge energy generation facilities entail large investments in Energy sector while the energy mix may undergo a major change due to climate pledges made at COP21 in Paris during 2016.

Crude oil and Natural Gas will continue to be the major providers of energy accounting for 51% of expected total energy consumption by 2040. However, the share of Natural Gas in the energy mix is likely to increase from 21% at present to 24% by 2040, mainly to support environment improvement initiatives to reduce CO2 emissions in future. Crude Oil will continue to play the role of the highest energy contributor in the energy mix. The contribution by renewable sources of energy is expected to increase significantly with generation of renewable energy projected to grow by 500% during this period. The demand for electricity as fuel for automobiles is expected to increase in future due to many technological developments and consequently the demand for renewable power energy will increase significantly.

The prices of fossil fuels experienced an upward trend during the year with Indian basket of Crude oil price increasing from $39.88 /bbl in April 2016 to $51.47/bbl in Mar 2017. The average Crude oil price for Indian basket of crudes during the year 2016-17 was $47.56 / bbl which is almost similar to average Crude oil price of $46.17 / bbl in 2015-16. High crude oil inventories prevalent across major countries and increased production of Shale Oil are expected to create downward pressure on Crude Oil Prices which may remain around $50 / bbl for the next two years. However, the Crude Oil prices are expected to strengthen in the long term due to envisaged production cuts and OPEC and increased demand for energy.

Refining Industry and Oil Market Developments

As per World Energy Outlook 2016, the global oil consumption is expected to increase from the current level of 95 MB/d to about 103.5 MB/d by 2040. The growth in road freight, aviation and petrochemical sectors is likely to contribute to growth in the oil demand in future. While the demand for Oil in the next 20 years is expected to decrease in advanced economies due to various technological and alternative energy factors, the same is expected to increase significantly in China, India and African countries. During the year 2015-16, India had surpassed Japan in energy consumption and is now the third largest oil consumer in the world. India is likely to be a major contributor for increase in oil demand for the next 25 years, followed by China.

The demand for petroleum products in India has registered a strong growth rate of 5.8% with absolute demand increasing from 183.5 MMT in 2015-16 to 194.2 MMT in 2016-17. On the supply side, production of petroleum products has increased from 231.2 MMT in 2015-16 to 242.6 MMT in 2016-17, a growth rate of 4.9%. As a result, the export of petroleum products was marginally lower in 2016-17 as compared to previous year. The refining capacity has increased from 215.5 as on March 2016 to 230.5 MMT during the year 2016-17 with the commissioning of Paradeep Refinery by Indian Oil.

Opportunities and Challenges

The projected increase in India's economic growth for the next few years and planned development of infrastructure in the immediate future , will result in higher demand for energy products which in turn provide an opportunity for expansion of refining capacity in existing refineries and also set up new refineries. As per IEA Outlook 2016, India will be the main driver of global oil demand in the next 20 years. To utilise the growth opportunity , CPCL is planning to expand the refining capacity by 9 MMTPA at Cauvery Basin Refinery and meet the ever increasing demand for petroleum products in Tamilnadu and other parts of Southern States.

Indian Oil is setting up a LNG Terminal at Ennore, Chennai and as a result , the Natural Gas is expected to be available in Chennai region from the year 2018-19, providing an opportunity for CPCL to replace part of the internal fuels / feedstocks such as Refinery Fuel Oil and Naphtha. The use of Natural Gas , as a fuel for refinery operations is expected to improve the environment in and around Manali region in addition to providing flexibility in sourcing high sulphur crudes as and when required to improve Gross Refining Margins. The initiative to use NG in Refinery operations will form part of Intended Nationally Determined Contributions (INDCs) as part of COP21 agreements. Preliminary work in the design changes has been completed. The preparation of DFR is in progress. The investment in the required facilities is expected to be around Rs. 370 crore. The investment approvals are expected by the year end.

CPCL will be commissioning the Resid Upgradation project in the year 2017-18, which will improve the production of value added Distillates and also produce a new product pet-coke. Increase of high value products and decrease in production of Fuel Oil is expected to improve Gross Refining Margins significantly in future depending upon the global market conditions. Also steps have been initiated to market Pet-coke from Resid Project in the Southern Region, where sufficient demand is available from major cement manufacturing companies.

Sustainable development being an integral part of CPCL, the company has undertaken a number of measures in 2016-17 to conserve energy through implementation of energy reduction schemes and to conserve water through a steam leaks management system . CPCL also strives continuously to upgrade skills of employees to improve productivity. These long term measures will contribute to sustainable profitability and competitiveness of the company, benefiting all stake-holders.

In order to utilise the growing opportunities in renewable sources of energy, CPCL has set up roof- top solar plants in the administrative buildings at Manali and Cauvery Basin Refinery, to enhance generation of renewable solar power. CPCL is also planning to set up a 5 MW solar unit at Chennai.

Risks and Concerns

CPCL's well-defined Risk Management Policy Framework enables the company to identify the risks and concerns so that the Management can develop action plans to address the same and ensure profitability . Some of the major risks include Insecurity of Crude Supply , Political Instability in Gulf countries, Risks in Logistics of Crude Oil Sourcing, Infrastructure constraints, Pricing of Products, supply of BS-VI specification auto fuels from 1st April 2020, Non-availability of Water, Safety and Security.

Insecurity of crude supply

CPCL Manali Refinery is dependent on crude imported from Gulf and other countries in the world. Any disruption in the crude supply will directly impact the refinery operations and profitability of the Company. In order to reduce this risk, CPCL continuously expands the crude basket by identification of new crudes, for processing in Manali Refinery. At present , CPCL has the capability to process 70 types of crudes and is continuously increasing the crude basket by adding new crudes. With expected commissioning of Delayed Coker Unit in 2017-18, CPCL is planning to purchase optional volume of Heavy grades like Arab Heavy and Basra Heavy. CPCL has also secured crude supply from Indian Strategic Petroleum Reserves created at Visakhapatnam and Mangalore which are already in operation. Further, CPCL will also have an access to ISPRL, Padur which is likely to go on stream in 2017-18.

Safety and Security

Refinery operations, being highly sensitive to safety and security aspects, CPCL has put in place a robust safety and security management systems . Multi -level safety audit system is in existence which ensures that all Departments are closely monitoring implementation of safety procedures and OISD standards. The Standard Operating Procedures (SoP) related to each unit are periodically reviewed and updated with the latest modifications as applicable. On-Site and Off-site mock drills are conducted periodically to test the preparedness of various components of Disaster Management System. CCTV Cameras are in operation at all main entrance gates and are monitored in the CISF Control Room. Regular interaction is maintained with District authorities, Chennai Corporation authorities and other statutory agencies on security related issues.

Continuous awareness has been created among employees and contractor labour about various safety aspects of Operations and Maintenance of equipments. Periodic inspections of pipelines are carried out and security patrolling/surveillance system is in place. During the year, there were no instances of threat to safety of the installations.

Implementation of BS-VI specification for MS and HSD

All Indian Refineries are required to produce BS-VI specification auto fuels effective from April 2020 in order to further reduce Sulphur content in automotive fuels, to improve the environmental aspects. Accordingly, CPCL has initiated measures to revamp DHDT unit capacity and to set up a new FCCU Gasoline Treatment Plant to meet HSD and MS quality standards respectively. The estimated investment in the proposed facilities for this purpose is about Rs.1,495 crore. The implementation of the projects is in progress.

Internal Control Systems and their Adequacy

The Directors' Report has adequately dealt with this subject.

Financial Performance

The Directors' Report has adequately dealt with this subject.

Operational Performance

The Directors' Report has adequately dealt with this subject.

Material Developments and Human Resources / Industrial Relations

The Directors' Report has adequately dealt with this subject.

Cautionary Statement

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

Business Responsibility Report (BRR) 2016-17

ANNEXURE - VI

Sl.	Query	Response
	Section A: General Information about the Company	
1.	Corporate Identity Number (CIN)	L40101TN1965GOI005389
2.	Name of the Company:	CHENNAI PETROLEUM CORPORATION LIMITED
3.	Registered Address	Chennai Petroleum Corporation Limited; No.536, Anna Salai, Teynampet, Chennai- 600018
4.	Website	www.cpcl.co.in
5.	Email id	sld@cpcl.co.in
6.	Financial Year reported	2016-17
7.	Sector(s) that the Company is engaged in (industrial activity code-wise):	The industrial activities carried out are described below. The code numbers of group, class and sub-class are assigned by National Industrial Classification, Ministry of Statistics and Program Implementation.

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

8.	List three key products / services that the Company manufactures / provides (as in balance sheet):	HSD, MS & ATF
9.	Total number of locations where business activity is undertaken by the Company:	5
	(i) Number of International locations:	NIL

	(ii) Number of National locations: (as on 31.03.2017)	Operating Refineries: 2
		Manali Refinery , Manali, Chennai- 600068. Cauvery Basin Refinery, Panangudi Village, Nagapattinam District, Tamilnadu
		Wind Power Project: 1 (Pushpathur , Tamilnadu)
10.	Markets served by the Company-Local/State/National/ International	National
	Section B: Financial Details of the Company	
1.	Paid up capital (INR)	Rs.149 crore (as on 31.03.2017)
2.	Total turnover (INR):	Rs. 40,586 crore (for FY 2016-17)
3.	Total profit after taxes (INR):	Rs.1030 crore (for FY 2016-17)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	The Company contributes to the CSR activities as per the provisions of the Companies Act 2013. A sum of Rs.187.51 lakhs was spent during the year 2016-17 for various CSR&SD Projects.
5.	List of activities in which expenditure in 4 above has been incurred:	The broad areas, where the expenditure is incurred are towards Health, Education, construction of school toilets, Distribution of flood relief materials etc.
	Section C: Other Details	
1.	Does the Company have any Subsidiary Company/Companies?	NIL
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not applicable
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No other entities with which the company does business participate in the BR initiatives of the company.
	Section D: BR Information	
1.	Details of Director/Directors responsible for BR	

	a) Details of the Director/Director responsible for implementation of the BR policy/policies	
	Director name :	Shri . S.Krishna Prasad
	DIN	03065333
	Designation	Director(Finance) in charge of HR
	b) Details of the BR Head	
	1. DIN Number (if applicable)	NA
	2. Name	Shri P.Shankar
	3. Designation	Company Secretary
	4. Telephone number	044- 24346807
	5. e-mail id	shankarp@cpcl.co.in
2.	Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N):	The National Voluntary Guidelines on Social Environmental and Economic Responsibilities of Business [NVGs] released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility These briefly are as under. P1 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 regulatory 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 consumers in a responsible manner.

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

		<table><tr><td>Has the policy been formally communicated to all relevant internal and external stakeholders?</td><td>Yes</td></tr><tr><td>Does the company have in-house structure to implement the policy/ policies?</td><td>Yes</td></tr><tr><td>Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy / policies?</td><td>Yes</td></tr><tr><td>Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?</td><td>Policies are constantly monitored and reviewed from time to time.</td></tr></table>
3.	Governance related to BR:	
	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company: Within 3 months, 3-6 months, Annually, More than 1 year.	Various principles of BR performance constitute an integral part of the day to day operations of the Company and the same are reviewed by the Board / Committee of the Board from time to time.
	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, CPCL publishes Corporate Sustainability Report annually. Sustainability Report 2015-16 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 2016-17 and the same will be uploaded in the website .
	Section E: Principle-wise performance	
1.	**Principle 1**	
	1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group /Joint Ventures / Suppliers / Contractors / NGOs / Others?	Yes. The Company has in place adequate measures and controls to address issues relating to ethics, bribery and corruption in the context of appropriate policy guidelines issued by the Government from time to time. The policy relating to ethics, bribery and corruption covers the company as well as its business partners.

	2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The Company received 450 complaints from the shareholders during the year 2016-17, which were subsequently resolved.
	Other complaints during the year	In addition, Nil complaints were received under the Integrity Pact (IP) with regard to tenders floated by the Company during the year.
		Moreover, during the year, 9 complaints were received and disposed through Public Grievance Redressal system in satisfaction of both the parties.
2.	**Principle 2**	
	1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Over the years, the Company has spent more than Rs 4000 crore towards quality improvement of its transportation fuels, namely Motor Spirit (MS) & High Speed Diesel (HSD), which constitute two of its major products from Manali Refinery. Further, in order to supply 100% BS-IV grade products from its existing refineries, the company is spending about Rs. 400 Crore. CPCL is also implementing BS–VI MS & HSD projects with an estimated cost of about Rs. 1495 Cr.
		1.CPCL R&D Centre, has developed an environment friendly formulation namely "Low Poly Aromatic Hydrocarbon Rubber Process Oil" and has filed a patent on "A process for the production of low Poly Aromatic Hydrocarbon Rubber Process Oil from Fractionated Bright Neutral Extract". 2.R&D has developed a process for production of a clean (Sulfur free) Aviation Turbine Fuel JP-7 from Hydrocracker Kerosene. 3.R&D has developed a process for the production of eco-friendly and low-cost synthetic process for the production of Jet fuel (JP-10) with IITM 4.R&D has developed a catalyst (Lab Scale) for naphtha isomerization process with IITM 5.CPCL has taken up a research project, funded by CHT, on "Algae growth in Raceway Ponds & Production of Renewable crude and liquid hydrocarbon fuels from algae".

SYMBOL OF VIBRANT GROWTH

		These initiatives helps the Company to meet the stringent environmental norms.
	List of 3 such products	List of such products or services: At present, CPCL is supplying 100% BS – IV MS & HSD. We also have the following future targets: 100 % BS – VI MS & HSD: From 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?	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. At present, maximum sulphur content in CPCL's BS-IV petrol & diesel is as low as 50 ppm. The sulphur content of these products would be further reduced to less than 10 ppm by 1st April 2020, when the company would be supplying 100 % BS – VI MS & HSD.
	ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Efficiency in crude oil sourcing & vessel utilization: Compared to 24.2 days of opening crude inventory, CPCL ended the FY 2016-17 with a crude stock of 19.5 days while achieving the MoU crude thruput of 10250 TMT (actual 10256 TMT). The above in spite of the fact that CPCL processed only about 21% of indigenous crude in 2016-17 compared to 25% in 2015-16.
		Energy Conservation: During the year, the following major Energy Conservation measures were taken up : a) Crude(CDU-I&II) stabilser off gas routing to FCCU WGC for LPG Recovery b) Intermittent operation of Naphtha desulfurising unit by pooling various low sulfur naphtha streams as Hydrogen Reformer feed c) Modification of OHCU feed pump warm-up line to reduce feed pump load

		d) JP-5 produced for first time from OHCU, thereby Plant-4(KHDS) operation averted e) Destaging of GT's HRSG Boiler Feed Water pump f) Interconnection of GT 1, 2 and 3 BFW pump discharge line, to stop running one out of two pumps g) High heat loss lines were identified through field thermal survey, and insulation was strengthened to minimize heat loss h) Optimization of steam consumption in strippers, Vacuum ejectors and Deaerator. i) Replacement of CT-6 fan blade j) Old power house(OPH), Boiler feed water pump drive changed to steam turbine(extraction) The above measures resulted in an estimated savings of about 14000 SRFT/annum (0.14% savings on Fuel & Loss)
	3. Does the company have procedures in place for sustainable sourcing (including transportation)?	Yes.
	i. If yes, what percentage of your inputs was sourced sustainably?	Oil & Gas sector is particularly vulnerable to sectoral threats like depletion of resources and geo-political uncertainities. The Company has long and short term contracts in place for its crude oil procurement. Moreover, the Company has diversified its global fuel sourcing centers. Further, efforts are put for optimization of crude basket and to minimize inventories.
		Company has implemented e-Tendering, e- Procurement and e-Payment. A progress of 96% in Materials Procurement and 99% in Works Contracts was achieved in 2016-17 . An MoU has been entered into with Transparency International India (TII) for implementing an Integrity pact programme focused on enhancing transparency in business transactions, contracts and procurement processes.
		CPCL markets speciality products through pipeline transportation to downstream industries.
	4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	As per the Public Procurement Policy of the Govt. of India for procurement from Micro and Small Enterprises (MSEs), necessary steps have been initiated by the Company for its implementation.

	If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Necessary provision has been made in all the tenders stating the eligibility of MSEs to participate in the tender. The MSEs and NSICs are exempted from payment of tender fees / earnest money deposit. The actual procurement of 34% from MSEs was achieved by the Company during the year 2016-17as against the target of 20%.
	5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	CPCL makes continuous efforts to recycle products and waste through installation of Effluent Treatment Plants, Sewage Treatment Plants and other sustainable practices like bio-remediation of oily sludge, rainwater harvesting, etc. During the year, about 93% of treated effluent was reused in refinery operations and 7800 MT of oily sludge was treated for oil recovery.
4.	**Principle 3**	
	1. Please indicate the Total number of employees.	Total number of employees as on 31.3.2017 is 1645.
	2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.	• 4 persons were engaged as Consultants/ Liaison officers/ Specialist doctors, etc. during the year. • No persons are working as casual laborers/temporary workers. • CPCL awards job contracts to contractors at its various locations for several ongoing projects as well as for operational needs. The contractors, in turn, engaged 4200 (average) contract workers during the year. CPCL, as a principle employer, ensures that all statutory requirements are duly complied with.
	3. Please indicate the Number of permanent women employees.	Total number of permanent women employees as on 31.3.2017 is 86.
	4. Please indicate the Number of permanent employees with disabilities.	There are 32. 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.

<table>
<tr><td></td><td>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.</td><td>As given below:
<table><tr><th>Sl. No.</th><th>Category</th><th>No. of complaints filed during 2016-17</th><th>No. of complaints pending as on end of the financial yr</th></tr><tr><td>1.</td><td>Child labour / forced labor / involuntary labor</td><td>Nil</td><td>Nil</td></tr><tr><td>2.</td><td>Sexual harassment</td><td>Nil</td><td>Nil</td></tr><tr><td>3.</td><td>Discriminatory employment</td><td>Nil</td><td>Nil</td></tr></table></td></tr>
<tr><td></td><td>8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?</td><td><table><tr><th></th><th>% of employees given safety & skill up-gradation training during 2016-17</th></tr><tr><td>Permanent Male employees</td><td>60%</td></tr><tr><td>Permanent Women Employees</td><td>65%</td></tr><tr><td>Permanent Employees with Disability</td><td>0%</td></tr><tr><td>Casual/Temporary/ Contractual Employees / Contract labor</td><td>100%</td></tr></table></td></tr>
<tr><td>5.</td><td>Principle 4</td><td></td></tr>
<tr><td></td><td>1. Has the company mapped its internal and external stakeholders? Yes/No</td><td>Yes.</td></tr>
<tr><td></td><td>2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.</td><td>Yes. The company has identified its disadvantaged, vulnerable and marginalized stakeholders.</td></tr>
<tr><td></td><td>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.</td><td>Yes. For engagement of disadvantaged, vulnerable and marginalized external stakeholders, CSR initiatives are undertaken. During the year 2016-17, CPCL has spent an amount of Rs 187 lakh on CSR for the benefit of the under-privileged section of the society.</td></tr>
</table>

		CPCL 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 392 SC employees and 38 ST employees constituting 23.83% and 2.31% of the total manpower respectively.
6.	**Principle 5**	
	1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The policy of the company covers human right principles. As a part of the commitment towards meeting its societal needs, CPCL believes in safeguarding human rights within its sphere of influence.
	2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaint on human rights violations was received during 2016-17
7.	**Principle 6**	
	1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.	The policy on Health, Safety and Environment (HSE) covers the Company only. CPCL is committed to conduct business with a strong environmental conscience ensuring sustainable development, safe work places and enrichment of quality of life of employees, customers and the community residing in the neighbourhood of its refineries in Manali and Cauvery Basin in Nagapattinam.
	2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes. Company's Policy on Sustainable Development encompasses environmental, social and economical aspects of the entire business operations and identifies roles and responsibilities of various departments to achieve goals of sustainable development. The Board Committee on CSR & Sustainable Development is the apex body to plan strategies and monitor Sustainable Development initiatives. Corporate Sustainability Report is published annually which gives a full account of all Sustainable Development initiatives, environmental, social and economical performances of the Company The objectives of the company including best practices on Safety, Health and Environment Management System can be accessed through the link https://www.cpcl.co.in/corporategovernance.

	3. Does the company identify and assess potential environmental risks? Y/N	Yes. Regular assessment of the environmental risks associated with refinery operations is carried out on yearly basis. Environmental risk assessment is carried out for every project before any 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 has no project related to Clean Development Mechanism.
	5. Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes. CPCL is continuously striving for adopting new initiatives and is a pioneer in renewable energy in oil sector. CPCL commissioned 22 wind mills with an installed capacity of 17.6 MW at Pushpathur, TamilNadu. The power generated from the windmill is being used to meet the energy requirements of CPCL's Desalination Plant/CBR through wheeling arrangement with TNEB. In 2013-14, one 10 KW grid connected Solar Photo Voltaic System was installed at CPCL Polytechnic College, Manali and added in 2014-15 another 15 KW Solar Photo Voltaic System at the same location. In 2016-17, a 20 KW and 150 KW Roof Top Solar PV systems were installed at CPCL Corporate office and CBR Refinery Control Room respectively.
	6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes. The emissions/ waste generated by the company are within the prescribed limits of Central Pollution Control Board (CPCB) / Tamilnadu State Pollution Control Board (TNPCB) norms.
	7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	The status of show cause / legal notices received from CPCB / TNPCB by end of Financial Year 2016-17 are as follows: TNPCB issued Notice on Propylene, Butylene and LEP unit intimating the non compliance on balance stack online connectivity with TNPCB. Action has been initiated for procurement & installation to connect the balance stacks.

<table>
<tr><td>8.</td><td>Principle 7</td><td></td></tr>
<tr><td></td><td>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><td>AssociationsNatl/Int'l</td><td></td></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>g) 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>
<tr><td>9.</td><td>Principle 8</td><td></td></tr>
<tr><td></td><td>1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.</td><td>Yes. The scheme-wise list of CSR&SD activities are given below
The details of Community Development Projects are as under
(Rs. In Lakhs)
<table>
<tr><th>Sl.No</th><th>DESCRIPTION OF CSR ACTIVITY</th><th>Expenditure</th></tr>
<tr><td>1</td><td>Education</td><td></td></tr>
<tr><td></td><td>Merit Scholarship to students of Government Schools</td><td>5.00</td></tr>
<tr><td></td><td>Merit Scholarship to students CPCL Polytechnic College</td><td>15.00</td></tr>
<tr><td></td><td>Contribution to CPCL Educational Trust</td><td>21.25</td></tr>
<tr><td>2</td><td>Health and Medical Care</td><td></td></tr>
<tr><td></td><td>Health Centre at Manali</td><td>12.45</td></tr>
<tr><td></td><td>Health Centre at Periyasekkadu</td><td>9.10</td></tr>
<tr><td></td><td>Health Centre at Thirunillai</td><td>9.18</td></tr>
</table></td></tr>
</table>

	Medical Camp - Manali	0.43
	Health Centre at Muttam - Cauvery Basin Refinery	11.64
	Medical Camp - Cauvery Basin Refinery	1.80
3	**Women Empowerment**	
	Creche at Manali	2.00
4	**Swachh Bharath Activities**	
	Swachh Bharath Activities (Manali)	16.48
	Swachh Bharath Activities - Cauvery Basin Refinery	10.44
	Contribution to Swachh Bharath Khosh	7.00
	Contribution to Clean Ganga Fund	7.00
	Toilet Maintenance - Manali	12.21
	Toilet Maintenance - Cauvery Basin Refinery	1.11
	Contribution to Chennai Corporation Providing HLL Toilets to Public	13.80
5	**Non Project**	
	Tree Planting	0.28
	Basic Materials to Special Children	0.26
	Distribution of basic materials to Public	4.50
	Distribution of basic materials to Public after cyclone - Manali	0.80
	Distribution of Life jacket to Fishermen at Cauvery Basin Refinery	1.00
6	**Distribution of Items to Public**	
	Providing Basic Materials near 42" Crude Oil pipeline	3.53
	Distribution of Basic Materials to the public at North Chennai and Manali	19.59
7	**Others**	
	Evaluation of CSR Studies	1.66
	TOTAL	187.51

	2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	Majority of the CSR activities are directly implemented by CPCL except for running Health Centres at Manali, Periyasekkadu and Thirunillai and running of CPCL Creche at Manali, which are entrusted to External agencies like Rotary Club, Lions Club, etc.

	3. Have you done any impact assessment of your initiative?	Yes. The evaluation of CSR activities for the year 2016-17 including impact assessment was carried out by Madras School of Social Work and they had concluded that the CSR activities of CPCL are highly beneficial to the society.
	4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	Please refer reply to Qn.No.1 of Principle 8
	5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes. Various social welfare initiatives viz. healthcare, education and scholarships, skill development programs, provision of drinking water, sanitation, Swachh bharat activities, etc. are undertaken with focus on the economically and socially deprived sections of society, mostly in its refineries in Manali and Cauvery Basin, Nagapattinam
10.	**Principle 9**	
	1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	No customer complaints are pending as on 31.03.2017. (15 complaints were received and resolved during the Financial Year 2016-17).
	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 speciality products namely Food Grade Hexane and Paraffin Wax (All grades) follow Bureau of Indian Standards (BIS) guidelines for product information and labeling. Specification of Feedstock 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 to improve upon deliverables to meet customer expectations.

ANNEXURE - VII

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Chennai Petroleum Corporation Limited

No 536, Anna Salai, Teynampet,

Chennai 600 018

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2017, has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:

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

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

(iii) The provisions of the Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

(iv) The provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder as applicable. The Company does not have any External Commercial Borrowings or Overseas Direct Investment.

(v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") are applicable to the Company

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

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

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme)Guidelines, 1999;(Not Applicable to the Company during the Audit Period)

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

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

(g) The Securities and Exchange Board of India (Delisting of equity shares regulations), 2009; (Not Applicable to the Company during the Audit Period)

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period) and

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

(vi) Corporate Governance Voluntary Guidelines - 2009 issued by the Ministry of Corporate Affairs, Government of India;

(vii) Guidelines on Corporate Governance for Public Sector Enterprises issued by Department of Public Enterprises.

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

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

a. Secretarial Standards issued by The Institute of Company Secretaries of India.

b. The Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock Exchange.

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

We further report that, during the period under review:

a. The shareholders of the company at the 50th Annual General Meeting held on 07.09.2016 took note of improvement in the networth (standalone) of the Company from Rs.1655.08 crore as on 31.03.2015 to Rs. 3296.67 crore as on 31.03.2016 which is more than 50% of the peak net worth during the immediately preceding four financial years as on 31.03.2016, by way of passing an ordinary resolution. The Company is out of reporting to BIFR from 01.04.2016. This was also informed to BIFR vide letter dated 06.10.2016.

b. The earlier outstanding dividends payable to Naftiran Inter-trade Company Limited for the years 2010-11 and 2011-12 amounting to a total of Rs.32.10 crore was settled through payment to M/s.Aban Holdings Pte Ltd., as advised by NICO, on 30.09.2016.

c. The dividend payable to Naftiran Intertrade Company Limited for the year 2015-16 amounting to Rs.9,17,31,600/- could not be remitted to NICO due to non-availability of banking channels on account of US/EU sanctions against Iran and the amount is kept in a Un-paid Dividend Account-NICO – 2015-16 with HDFC Bank, the Dividend Banker and the remittance will be made immediately on availability of banking channels .

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The company has complied with requirements of Uniform Listing Agreement entered in to with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except the requirement relating to Independent Directors including one Woman Director on the Board; conduct of

separate meeting of Independent Directors and the composition of Nomination & Remuneration Committee.

In this connection, we were informed that two independent directors have been appointed on 23.02.2017 based on the communication from Ministry of Petroleum and Natural Gas, Government of India. The Company has made representation to the Government of India to appoint additional Independent Directors including one Woman Director on the Board. We were also informed that the requirement relating to separate meeting of Independent Directors will be complied with from the Financial Year 2017-2018. We were also informed that the Nomination & Remuneration Committee has been reconstituted with the induction of two independent directors on 10.04.2017. Effective 10.04.2017, the company is complying with the requirement relating to the composition of Nomination & Remuneration Committee.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

For S Sandeep & Associates
Sd/-
S Sandeep
Managing Partner
FCS No.: 5853
C P No.: 5987

Place: Chennai
Date: 07-06-2017

'Annexure A'

To,

The Members,

Chennai Petroleum Corporation Limited

No 536, Anna Salai, Teynampet,

Chennai 600 018

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For S Sandeep & Associates
Sd/-
S Sandeep
Managing Partner
FCS No.: 5853
C P No.: 5987

Place: Chennai
Date: 07-06-2017

ANNEXURE - VIII

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended 31.03.2017
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I REGISTRATION & OTHER DETAILS:

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

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL No	Name & Description of main products/services	"NIC Code of the Product /service"	"% to total turnover of the company"
1	HSD		54.04%
2	MS		17.77%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

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

CHENNAI PETROLEUM CORPORATION LIMITED
MGT 9 (IV) (i) Category - Wise Share Holding Between 31/03/2016 AND 31/03/2017

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2016				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2017				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government/State Government(s)									
©	Bodies Corporate	77265200	0	77265200	51.89	77265200	0	77265200	51.89	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	**77265200**	**0**	**77265200**	**51.89**	**77265200**	**0**	**77265200**	**51.89**	**0.00**
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign									
	Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	22932900	0	22932900	15.40	22932900	0	22932900	15.40	0.00
(c)	Institutions	0	0	0.00	0	0	0	0.00	0.00	
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0.00	0	0	0	0.00	0.00	
	Sub-Total A(2) :	**22932900**	**0**	**22932900**	**15.40**	**22932900**	**0**	**22932900**	**15.40**	**0.00**
	Total A=A(1)+A(2)	**100198100**	**0**	**100198100**	**67.29**	**100198100**	**0**	**100198100**	**67.29**	**0.00**
(B)	**PUBLIC SHAREHOLDING**									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	5620139	9000	5629139	3.78	3015920	9000	3024920	2.03	1.75
(b)	Financial Institutions /Banks	12783352	100	12783452	8.58	9417705	100	9417805	6.32	2.26
©	Central Government / State									
	Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	10986362	4200	10990562	7.38	19269551	4200	19273751	12.94	-5.56
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others 0	0	0	0.00	0	0	0	0.00	0.00	
	Sub-Total B(1) :	**29389853**	**13300**	**29403153**	**19.75**	**31703176**	**13300**	**31716476**	**21.30**	**-1.55**

CHENNAI PETROLEUM CORPORATION LIMITED
MGT 9 (IV) (i) Category - Wise Share Holding Between 31/03/2016 AND 31/03/2017

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2016				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2017				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	3750177	22400	3772577	2.53	2888345	21400	2909745	1.95	0.58
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	9447994	1213873	10661867	7.16	7916287	1184573	9100860	6.11	1.05
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	3424037	0	3424037	2.30	3753115	0	3753115	2.52	-0.22
©	Others									
	CLEARING MEMBERS	240586	0	240586	0.16	123040	0	123040	0.08	0.08
	FOREIGN NATIONALS	200	0	200	0.00	0	0	0	0.00	0.00
	NON RESIDENT COMPANIES	0	600	600	0.00	0	600	600	0.00	0.00
	NON RESIDENT INDIANS	524834	607700	1132534	0.76	355793	597400	953193	0.64	0.12
	NRI NON-REPATRIATION	0	0	0	0.00	89790	0	89790	0.06	-0.06
	TRUSTS	77546	200	77746	0.05	66281	200	66481	0.04	0.01
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	17465374	1844773	19310147	12.97	15192651	1804173	16996824	11.41	1.55
	Total B=B(1)+B(2) :	46855227	1858073	48713300	32.71	46895827	1817473	48713300	32.71	0.00
	Total (A+B) :	147053327	1858073	148911400	100.00	147093927	1817473	148911400	100.00	0.00
(C)	Shares held by custodians, against which									
	Depository Receipts have been issued									
(1)	Promoter and Promoter Group									
(2)	Public 0	0	0	0.00	0	0	0	0.00	0.00	
	GRAND TOTAL (A+B+C) :	**147053327**	**1858073**	**148911400**	**100.00**	**147093927**	**1817473**	**148911400**	**100.00**	

CHENNAI PETROLEUM CORPORATION LIMITED
SHAREHOLDING PATTERN OF PROMOTERS HOLDINGS BETWEEN 31/03/2016 AND 31/03/2017

					Shareholding at the begginning of the Year						Cumulative Shareholding during the Year	
Slno	Folio/ Dpid-Clientid	Category	Type	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason		No of Shares	% of total shares of the company
1	AAACI1681G	IOC	Opening Balance	INDIAN OIL CORPORATION LIMITED	77265200	51.89	31/03/2016				77265200	51.89
			Closing Balance				31/03/2017				77265200	51.89
2	AADCN0259L	NIT	Opening Balance	NAFTIRAN INTER TRADE COMPANY LTD	22932900	15.40	31/03/2016				22932900	15.40
			Closing Balance				31/03/2017				22932900	15.40

CHENNAI PETROLEUM CORPORATION LIMITED
SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2016 AND 31/03/2017

					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Slno	Folio/ Dpid-Clientid	Category	Type	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
1	AAACL0582H	IFI	Opening Balance	LIC OF INDIA FORTUNE PLUS BALANCED FUND	5737534	3.85	31/03/2016			5737534	3.85
			Sale				08/04/2016	-157860	Transfer	5579674	3.75
			Sale				15/04/2016	-40000	Transfer	5539674	3.72
			Sale				24/06/2016	-16675	Transfer	5522999	3.71
			Sale				15/07/2016	-110000	Transfer	5412999	3.64
			Sale				22/07/2016	-392404	Transfer	5020595	3.37
			Sale				29/07/2016	-176814	Transfer	4843781	3.25
			Sale				05/08/2016	-75352	Transfer	4768429	3.20
			Purchase				30/09/2016	9100	Transfer	4777529	3.21
			Sale				30/09/2016	-9100	Transfer	4768429	3.20
			Purchase				17/03/2017	4000	Transfer	4772429	3.20
			Sale				17/03/2017	-4000	Transfer	4768429	3.20
			Closing Balance				31/03/2017			4768429	3.20
2	AAATH1809A	MUT	Opening Balance	HDFC TRUSTEE CO LTD A/C HDFC RAJIV GANDHI EQUITY S	3808770	2.56	31/03/2016			3808770	2.56
			Purchase				30/06/2016	61000	Transfer	3869770	2.60
			Purchase				08/07/2016	100000	Transfer	3969770	2.67
			Purchase				15/07/2016	50000	Transfer	4019770	2.70
			Sale				16/09/2016	-26000	Transfer	3993770	2.68
			Purchase				25/11/2016	100000	Transfer	4093770	2.75
			Purchase				06/01/2017	130000	Transfer	4223770	2.84
			Sale				06/01/2017	-293000	Transfer	3930770	2.64
			Sale				13/01/2017	-651400	Transfer	3279370	2.20
			Sale				20/01/2017	-608000	Transfer	2671370	1.79
			Sale				27/01/2017	-669700	Transfer	2001670	1.34
			Sale				03/02/2017	-336000	Transfer	1665670	1.12
			Sale				10/02/2017	-250000	Transfer	1415670	0.95
			Sale				17/02/2017	-844789	Transfer	570881	0.38
			Sale				24/02/2017	-171226	Transfer	399655	0.27
			Sale				03/03/2017	-141000	Transfer	258655	0.17
			Sale				10/03/2017	-52117	Transfer	206538	0.14
			Sale				24/03/2017	-15600	Transfer	190938	0.13
			Closing Balance				31/03/2017			190938	0.13

CHENNAI PETROLEUM CORPORATION LIMITED
SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2016 AND 31/03/2017

					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Slno	Folio/ Dpid-Clientid	Category	Type	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
3	AAACN4165C	IFI	Opening Balance	THE NEW INDIA ASSURANCE COMPANY LIMITED	3521060	2.36	31/03/2016			3521060	2.36
			Sale				13/01/2017	-101687	Transfer	3419373	2.30
			Sale				20/01/2017	-148313	Transfer	3271060	2.20
			Sale				03/02/2017	-62141	Transfer	3208919	2.15
			Sale				10/02/2017	-191138	Transfer	3017781	2.03
			Sale				17/03/2017	-60340	Transfer	2957441	1.99
			Sale				24/03/2017	-157113	Transfer	2800328	1.88
			Sale				31/03/2017	-35256	Transfer	2765072	1.86
			Closing Balance				31/03/2017			2765072	1.86
4	AAACG0615N	IFI	Opening Balance	GENERAL INSURANCE CORPORATION OF INDIA	2487689	1.67	31/03/2016			2487689	1.67
			Sale				15/04/2016	-25000	Transfer	2462689	1.65
			Sale				22/04/2016	-75000	Transfer	2387689	1.60
			Sale				29/04/2016	-45000	Transfer	2342689	1.57
			Sale				06/05/2016	-32961	Transfer	2309728	1.55
			Sale				29/07/2016	-90000	Transfer	2219728	1.49
			Sale				05/08/2016	-10000	Transfer	2209728	1.48
			Sale				12/08/2016	-30000	Transfer	2179728	1.46
			Sale				28/10/2016	-20000	Transfer	2159728	1.45
			Sale				04/11/2016	-10155	Transfer	2149573	1.44
			Sale				25/11/2016	-149573	Transfer	2000000	1.34
			Sale				02/12/2016	-100000	Transfer	1900000	1.28
			Sale				16/12/2016	-57736	Transfer	1842264	1.24
			Sale				23/12/2016	-4932	Transfer	1837332	1.23
			Sale				06/01/2017	-87332	Transfer	1750000	1.18
			Sale				13/01/2017	-28280	Transfer	1721720	1.16
			Sale				27/01/2017	-51720	Transfer	1670000	1.12
			Sale				03/02/2017	-70000	Transfer	1600000	1.07
			Sale				17/02/2017	-40000	Transfer	1560000	1.05
			Sale				24/02/2017	-60000	Transfer	1500000	1.01
			Closing Balance				31/03/2017			1500000	1.01

SYMBOL OF VIBRANT GROWTH

CHENNAI PETROLEUM CORPORATION LIMITED
SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2016 TO 31/03/2017

					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Slno	Folio/ Dpid-Clientid	Category	Type	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
5	AAATB0102C	MUT	Opening Balance	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C	1770667	1.19	31/03/2016			1770667	1.19
			Sale				20/05/2016	-30000	Transfer	1740667	1.17
			Sale				24/06/2016	-75500	Transfer	1665167	1.12
			Sale				08/07/2016	-150500	Transfer	1514667	1.02
			Purchase				15/07/2016	370000	Transfer	1884667	1.27
			Purchase				22/07/2016	155000	Transfer	2039667	1.37
			Purchase				05/08/2016	61000	Transfer	2100667	1.41
			Sale				12/08/2016	-555100	Transfer	1545567	1.04
			Sale				19/08/2016	-329400	Transfer	1216167	0.82
			Sale				26/08/2016	-145352	Transfer	1070815	0.72
			Sale				02/09/2016	-555000	Transfer	515815	0.35
			Sale				16/09/2016	-45000	Transfer	470815	0.32
			Sale				30/09/2016	-20000	Transfer	450815	0.30
			Sale				07/10/2016	-450815	Transfer	0	0.00
			Purchase				02/12/2016	23500	Transfer	23500	0.02
			Purchase				06/01/2017	119628	Transfer	143128	0.10
			Purchase				13/01/2017	1029000	Transfer	1172128	0.79
			Purchase				20/01/2017	285000	Transfer	1457128	0.98
			Purchase				27/01/2017	150000	Transfer	1607128	1.08
			Purchase				10/02/2017	255000	Transfer	1862128	1.25
			Purchase				17/02/2017	74000	Transfer	1936128	1.30
			Purchase				24/02/2017	294077	Transfer	2230205	1.50
			Purchase				03/03/2017	202591	Transfer	2432796	1.63
			Purchase				10/03/2017	53332	Transfer	2486128	1.67
			Purchase				31/03/2017	200000	Transfer	2686128	1.80
			Closing Balance				31/03/2017			2686128	1.80
6	AAFCG0345N	FPI	Opening Balance	GOLDMAN SACHS (SINGAPORE) PTE	1462682	0.98	31/03/2016			1462682	0.98
			Sale				08/04/2016	-35665	Transfer	1427017	0.96
			Sale				22/04/2016	-9923	Transfer	1417094	0.95
			Sale				29/04/2016	-127627	Transfer	1289467	0.87
			Sale				06/05/2016	-103304	Transfer	1186163	0.80
			Sale				13/05/2016	-126523	Transfer	1059640	0.71
			Sale				20/05/2016	-175850	Transfer	883790	0.59
			Sale				27/05/2016	-192916	Transfer	690874	0.46
			Sale				03/06/2016	-148456	Transfer	542418	0.36
			Purchase				10/06/2016	39981	Transfer	582399	0.39

CHENNAI PETROLEUM CORPORATION LIMITED
SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2016 AND 31/03/2017

					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Slno	Folio/ Dpid-Clientid	Category	Type	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
			Purchase				17/06/2016	45390	Transfer	627789	0.42
			Purchase				24/06/2016	38798	Transfer	666587	0.45
			Purchase				30/06/2016	78137	Transfer	744724	0.50
			Purchase				01/07/2016	46326	Transfer	791050	0.53
			Purchase				08/07/2016	95462	Transfer	886512	0.60
			Purchase				15/07/2016	16854	Transfer	903366	0.61
			Sale				22/07/2016	-97757	Transfer	805609	0.54
			Sale				29/07/2016	-320641	Transfer	484968	0.33
			Purchase				05/08/2016	13608	Transfer	498576	0.33
			Purchase				19/08/2016	166403	Transfer	664979	0.45
			Purchase				26/08/2016	175454	Transfer	840433	0.56
			Purchase				02/09/2016	341057	Transfer	1181490	0.79
			Purchase				09/09/2016	200791	Transfer	1382281	0.93
			Purchase				16/09/2016	186860	Transfer	1569141	1.05
			Sale				23/09/2016	-259659	Transfer	1309482	0.88
			Sale				30/09/2016	-32289	Transfer	1277193	0.86
			Sale				07/10/2016	-243912	Transfer	1033281	0.69
			Sale				14/10/2016	-162478	Transfer	870803	0.58
			Sale				21/10/2016	-27393	Transfer	843410	0.57
			Sale				28/10/2016	-89939	Transfer	753471	0.51
			Sale				04/11/2016	-135667	Transfer	617804	0.41
			Sale				11/11/2016	-52813	Transfer	564991	0.38
			Purchase				18/11/2016	51072	Transfer	616063	0.41
			Purchase				25/11/2016	80082	Transfer	696145	0.47
			Purchase				02/12/2016	18070	Transfer	714215	0.48
			Purchase				09/12/2016	116365	Transfer	830580	0.56
			Purchase				16/12/2016	52460	Transfer	883040	0.59
			Purchase				23/12/2016	1667	Transfer	884707	0.59
			Purchase				30/12/2016	9658	Transfer	894365	0.60
			Sale				06/01/2017	-105558	Transfer	788807	0.53
			Sale				13/01/2017	-20074	Transfer	768733	0.52
			Purchase				20/01/2017	47582	Transfer	816315	0.55
			Purchase				27/01/2017	46609	Transfer	862924	0.58
			Purchase				03/02/2017	357922	Transfer	1220846	0.82
			Purchase				10/02/2017	274324	Transfer	1495170	1.00
			Purchase				17/02/2017	56396	Transfer	1551566	1.04
			Sale				24/02/2017	-46506	Transfer	1505060	1.01
			Purchase				03/03/2017	43955	Transfer	1549015	1.04

SYMBOL OF VIBRANT GROWTH

CHENNAI PETROLEUM CORPORATION LIMITED
SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2016 AND 31/03/2017

					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Slno	Folio/ Dpid-Clientid	Category	Type	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
			Purchase				10/03/2017	77837	Transfer	1626852	1.09
			Purchase				17/03/2017	37926	Transfer	1664778	1.12
			Sale				24/03/2017	-6087	Transfer	1658691	1.11
			Sale				31/03/2017	-40787	Transfer	1617904	1.09
			Closing Balance				31/03/2017			1617904	1.09
7	AAECM3575F	FII	Opening Balance	MORGAN STANLEY ASIA (SINGAPORE) PTE.	1250665	0.84	31/03/2016			1250665	0.84
			Sale				08/04/2016	-24877	Transfer	1225788	0.82
			Sale				22/04/2016	-52655	Transfer	1173133	0.79
			Sale				29/04/2016	-63311	Transfer	1109822	0.75
			Sale				06/05/2016	-139348	Transfer	970474	0.65
			Sale				13/05/2016	-127155	Transfer	843319	0.57
			Sale				20/05/2016	-47243	Transfer	796076	0.53
			Sale				27/05/2016	-41476	Transfer	754600	0.51
			Purchase				03/06/2016	236175	Transfer	990775	0.67
			Purchase				10/06/2016	179751	Transfer	1170526	0.79
			Purchase				17/06/2016	155051	Transfer	1325577	0.89
			Purchase				24/06/2016	35302	Transfer	1360879	0.91
			Purchase				30/06/2016	37540	Transfer	1398419	0.94
			Purchase				01/07/2016	9018	Transfer	1407437	0.95
			Purchase				08/07/2016	92303	Transfer	1499740	1.01
			Purchase				15/07/2016	3532	Transfer	1503272	1.01
			Sale				22/07/2016	-26659	Transfer	1476613	0.99
			Sale				29/07/2016	-206151	Transfer	1270462	0.85
			Sale				05/08/2016	-19535	Transfer	1250927	0.84
			Sale				19/08/2016	-13516	Transfer	1237411	0.83
			Sale				26/08/2016	-35690	Transfer	1201721	0.81
			Sale				02/09/2016	-53472	Transfer	1148249	0.77
			Sale				09/09/2016	-67540	Transfer	1080709	0.73
			Sale				16/09/2016	-8923	Transfer	1071786	0.72
			Sale				23/09/2016	-37237	Transfer	1034549	0.69
			Sale				30/09/2016	-10024	Transfer	1024525	0.69
			Sale				07/10/2016	-76915	Transfer	947610	0.64
			Sale				14/10/2016	-36755	Transfer	910855	0.61
			Sale				21/10/2016	-15931	Transfer	894924	0.60
			Sale				28/10/2016	-72977	Transfer	821947	0.55
			Sale				04/11/2016	-193210	Transfer	628737	0.42
			Sale				11/11/2016	-22824	Transfer	605913	0.41

CHENNAI PETROLEUM CORPORATION LIMITED
SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2016 AND 31/03/2017

					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Slno	Folio/ Dpid-Clientid	Category	Type	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
			Sale				18/11/2016	-18716	Transfer	587197	0.39
			Sale				02/12/2016	-19839	Transfer	567358	0.38
			Sale				09/12/2016	-38503	Transfer	528855	0.36
			Sale				16/12/2016	-44319	Transfer	484536	0.33
			Sale				23/12/2016	-9821	Transfer	474715	0.32
			Sale				30/12/2016	-29628	Transfer	445087	0.30
			Sale				06/01/2017	-42377	Transfer	402710	0.27
			Sale				13/01/2017	-9399	Transfer	393311	0.26
			Sale				03/02/2017	-8190	Transfer	385121	0.26
			Sale				10/02/2017	-5213	Transfer	379908	0.26
			Sale				17/02/2017	-11297	Transfer	368611	0.25
			Sale				24/02/2017	-56260	Transfer	312351	0.21
			Sale				03/03/2017	-26288	Transfer	286063	0.19
			Sale				10/03/2017	-13951	Transfer	272112	0.18
			Sale				17/03/2017	-13017	Transfer	259095	0.17
			Sale				24/03/2017	-5191	Transfer	253904	0.17
			Sale				31/03/2017	-19411	Transfer	234493	0.16
			Closing Balance				31/03/2017			234493	0.16
8	AADCM5927G	FPI	Opening Balance	MORGAN STANLEY MAURITIUS	0	0.00	31/03/2016	0	0.00		
			Purchase	COMPANY LIMITED			05/08/2016	35915	Transfer	35915	0.02
			Purchase				12/08/2016	27925	Transfer	63840	0.04
			Purchase				19/08/2016	107295	Transfer	171135	0.11
			Purchase				26/08/2016	43380	Transfer	214515	0.14
			Purchase				02/09/2016	94945	Transfer	309460	0.21
			Purchase				09/09/2016	83343	Transfer	392803	0.26
			Purchase				16/09/2016	24580	Transfer	417383	0.28
			Purchase				23/09/2016	35253	Transfer	452636	0.30
			Purchase				30/09/2016	21141	Transfer	473777	0.32
			Purchase				07/10/2016	67964	Transfer	541741	0.36
			Purchase				21/10/2016	4481	Transfer	546222	0.37
			Purchase				28/10/2016	987	Transfer	547209	0.37
			Purchase				04/11/2016	4193	Transfer	551402	0.37
			Purchase				18/11/2016	4189	Transfer	555591	0.37
			Purchase				02/12/2016	4691	Transfer	560282	0.38
			Purchase				09/12/2016	11001	Transfer	571283	0.38
			Purchase				16/12/2016	12611	Transfer	583894	0.39
			Purchase				30/12/2016	4825	Transfer	588719	0.40
			Purchase				13/01/2017	13130	Transfer	601849	0.40
			Purchase				20/01/2017	22404	Transfer	624253	0.42
			Purchase				27/01/2017	32255	Transfer	656508	0.44
			Purchase				03/02/2017	162923	Transfer	819431	0.55

SYMBOL OF VIBRANT GROWTH

			Purchase				10/02/2017	206157	Transfer	1025588	0.69
			Purchase				17/02/2017	27994	Transfer	1053582	0.71
			Purchase				24/02/2017	39597	Transfer	1093179	0.73
			Purchase				03/03/2017	85755	Transfer	1178934	0.79
			Purchase				10/03/2017	35640	Transfer	1214574	0.82
			Purchase				17/03/2017	14523	Transfer	1229097	0.83
			Sale				24/03/2017	-117	Transfer	1228980	0.83
			Purchase				31/03/2017	7395	Transfer	1236375	0.83
			Closing Balance				31/03/2017			1236375	0.83

CHENNAI PETROLEUM CORPORATION LIMITED
SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2016 AND 31/03/2017

					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
SIno	Folio/ Dpid-Clientid	Category	Type	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
9	AADCA1701E	LTD	Opening Balance	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	1211562	0.81	31/03/2016			1211562	0.81
			Purchase				29/04/2016	200000	Transfer	1411562	0.95
			Sale				27/05/2016	-231000	Transfer	1180562	0.79
			Sale				03/06/2016	-100000	Transfer	1080562	0.73
			Sale				10/06/2016	-100000	Transfer	980562	0.66
			Sale				17/06/2016	-335000	Transfer	645562	0.43
			Sale				24/06/2016	-327089	Transfer	318473	0.21
			Sale				08/07/2016	-50000	Transfer	268473	0.18
			Purchase				11/11/2016	25000	Transfer	293473	0.20
			Purchase				25/11/2016	175000	Transfer	468473	0.31
			Purchase				16/12/2016	66001	Transfer	534474	0.36
			Purchase				27/01/2017	200000	Transfer	734474	0.49
			Purchase				03/02/2017	100000	Transfer	834474	0.56
			Purchase				24/02/2017	100000	Transfer	934474	0.63
			Sale				03/03/2017	-100000	Transfer	834474	0.56
			Sale				17/03/2017	-80000	Transfer	754474	0.51
			Closing Balance				31/03/2017			754474	0.51
10	AAMCA6207G	FPI	Opening Balance	ACADIAN EMERGING MARKETS SMALL CAP EQUITY FUND LLC	950328	0.64	31/03/2016			950328	0.64
			Purchase				03/06/2016	44339	Transfer	994667	0.67
			Purchase				24/06/2016	32608	Transfer	1027275	0.69
			Purchase				19/08/2016	100147	Transfer	1127422	0.76
			Purchase				26/08/2016	150336	Transfer	1277758	0.86
			Closing Balance				31/03/2017			1277758	0.86

Shareholding of Directors & KMP

For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No.of shares	% of total shares of the company	No.of shares	% of total shares of the company
S.Venkataramana	200	-	200	-
Mrutunjay Sahoo	2500	-	2500	-

INDEBTEDNESS

₹ Crore

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	1001.04	3565.81		4566.85
ii) Interest due but not paid				
iii) Interest accrued but not due	21.42	41.87		63.29
Total (i+ii+iii)	**1022.46**	**3607.68**	**-**	**4630.14**
Change in Indebtedness during the financial year				
Additions	2228.02	26409.87		28637.89
Reduction	2224.62	25440.24		27664.86
Net Change	3.4	969.63	-	973.03
Indebtedness at the end of the financial year				
i) Principal Amount	1004.44	4496.62		5501.06
ii) Interest due but not paid				
iii) Interest accrued but not due	21.42	80.69		102.10
Total (i+ii+iii)	**1025.86**	**4577.31**	**-**	**5603.16**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Director and/or Manager:

₹ Lakhs

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager				
1	**Gross salary**	Gautam Roy -MD	U.Venkata Ramana -DT	S.Krishna Prasad -DF	S.Venkataramana - DO	**Total Amount**
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	**41.85**	**33.12**	**41.17**	**30.94**	**147.08**
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	**8.19**	**5.68**	**7.16**	**10.88**	**31.91**
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961					
2	**Stock option**					
3	**Sweat Equity**					
4	**Commission as % of profit**					
	others (specify)					
5	**Others, please specify**					
	Total (A)	**50.04**	**38.80**	**48.33**	**41.82**	**178.99**
	Ceiling as per the Act	**Not Applicable to Government company**				

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Director and/or Manager:

₹ Lakhs

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
	Independent Directors	G.Ramaswamy	Mrutunjay Sahoo	Dr.P.B.Lohiya	
	(a) Fee for attending Board/Committee Meetings	2.0	0.2	0.2	2.4
	(b) Commission				
	(c)Others, please specify				
	Total(1)				
	Other Non-Executive Directors				
	(a) Fee for attending Board/Committee Meetings				
	(b) Commission				
	(c)Others, please specify				
	Total(2)				
	Total (B)=(1+2)	2.0	0.2	0.2	2.4
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				NA

C.REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

₹ Lakhs

Sl.No	Particulars of Remuneration	Key Managerial Personnel	Total Amount
1	Gross Salary	**Company Secretary**	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (including Rs.3.94 lakh of EL encashment)	31.95	31.95
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	4.94	4.94
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission as % of profit		
	others, specify		
5	Others, please specify		
	Total	36.89	36.89

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

STANDALONE FINANCIAL STATEMENTS 2016-17

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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

For S.Viswanathan LLP
Chartered Accountants
FRN: 004770S/S200025

R.Rajaram
Partner
Membership No: 025210

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

For S.Viswanathan LLP
Chartered Accountants
FRN: 004770S/S200025

R.Rajaram
Partner
Membership No: 025210

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: 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 C to Independent 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

For S.Viswanathan LLP
Chartered Accountants
FRN: 004770S/S200025

R.Rajaram
Partner
Membership No: 025210

V.C.Krishnan
Partner
Membership No: 022167

Place: Chennai
Date:15th May 2017

Statement of Disputed Dues

Annexure - I

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 Comissioner (Appeals)
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	244.60	61.15	2015-16	Joint Comissioner (Appeals)
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	1306.85	653.42	2016-17	Additional Commisioner(CT)
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	1751.87	1167.97	Oct-2015 to March 2016	Joint Comissioner (Appeals)
Central Sales Tax Act	Sales Tax Dues	32.42	–	2007-08	Dy. Commisioner CT – III Tamilnadu
Central Sales Tax Act	Sales Tax Dues	249.74	–	2008-09	Dy. Commisioner CT – III Tamilnadu
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	753.36	–	Oct – 2016 to Dec 2016	Joint Comissioner(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	Comissioner (Appeals)
Central Excise Act	Excise Dues	2.91	0.19	2013-14 & 2014-15	Comissioner (Appeals)
Central Excise Act	Excise Dues	4.71	0.32	2013-14 & 2014-15	Comissioner (Appeals)
Central Excise Act	Excise Dues	11.60	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)

SYMBOL OF VIBRANT GROWTH

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2017

(₹ in Lakhs)

Particulars	Note	31-Mar-17	31-Mar-16	01-Apr-15
I ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	2	**387783.12**	411404.15	407894.61
(b) Capital work-in-progress	2.1	**275660.74**	167308.68	78292.84
(c) Intangible assets	3	**500.32**	543.51	644.42
(d) Intangible assets under development	3.1	**596.98**	596.98	596.98
(e) Investments in Joint Ventures	4	**1183.40**	1183.40	1183.40
(f) Financial Assets				
(i) Investments	4.1	**10.90**	10.90	10.90
(ii) Loans	5	**3294.03**	3555.71	3173.41
(iii) Other Financial Assets	6	**4740.67**	4683.30	7663.76
(g) Other non-current assets	8	**9750.35**	9228.25	7653.11
		683520.51	598514.88	507113.43
(2) Current assets				
(a) Inventories	9	**320713.33**	317482.68	377066.71
(b) Financial Assets				
(i) Trade receivables	10	**104039.47**	76157.55	182916.26
(ii) Cash and cash equivalents	11	**26.25**	9.18	29.39
(iii) Other bank balances	12	**1666.73**	3876.99	3961.14
(iv) Loans	5	**2488.12**	2803.36	2188.20
(v) Other Financial Assets	6	**720.72**	2625.84	2646.84
(c) Current tax assets (Net)	7	**-**	817.70	360.04
(d) Other current assets	8	**36381.97**	30879.23	17349.26
		466036.59	434652.53	586517.84
TOTAL		**1149557.10**	1033167.41	1093631.27
II EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share capital	13	**14900.46**	14900.46	14900.46
(b) Other Equity	14	**316480.41**	221242.70	147213.41
LIABILITIES				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	**232427.50**	200334.25	100636.39
(b) Provisions	17	**13314.97**	5097.68	4561.45
(c) Deferred tax liabilities (Net)	7	**2425.41**	-	-
(d) Other non-current liabilities	18	**4037.61**	3087.23	646.96
		252205.49	208519.16	105844.80
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	19	**317344.32**	256048.25	339905.94
(ii) Trade payables	20	**164385.64**	246864.04	321642.93
(iii) Other financial liabilities	16	**43308.70**	36302.66	124349.66
(b) Other current liabilities	18	**25465.68**	41887.85	30452.53
(c) Provisions	17	**13658.67**	7402.29	9321.54
(d) Current Tax Liabilities (Net)	7	**1807.73**	-	-
		565970.74	588505.09	825672.60
TOTAL		**1149557.10**	1033167.41	1093631.27

See accompanying notes to the financial statements 1 - 43

(Gautam Roy)
Managing Director

(S.Krishna Prasad)
Director (Finance)

(P.Shankar)
Company Secretary

As per our attached Report of even date

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

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ in Lakhs)

	Particulars	Note	31-Mar-17	31-Mar-16
I.	**Revenue from operations**	**21**	**4060751.54**	3497058.86
II.	**Other income**	**22**	**4004.97**	3639.84
III.	**Total Income (I + II)**		**4064756.51**	3500698.70
IV.	**Expenses:**			
	Cost of materials consumed	**23**	**2425578.38**	2275404.06
	Purchase of Stock-in-Trade		**15957.40**	29267.82
	Changes in Inventories (Finished Goods and Work-In Progress)	**24**	**10502.81**	20856.62
	Excise Duty		**1291598.07**	912481.31
	Employee benefits expense	**25**	**51288.36**	35700.31
	Finance costs	**26**	**27278.21**	35172.26
	Depreciation and Amortisation expense on:			
	a) Tangible Assets		**27817.53**	27259.19
	b) Intangible Assets		**45.54**	110.01
	Impairment of Non Current Asset		**6178.65**	-
	Other expenses	**27**	**72006.96**	88583.58
	Total Expenses (IV)		**3928251.91**	3424835.16
V.	**Profit/(Loss) before Exceptional items and tax (III - IV)**		**136504.60**	75863.54
VI.	**Exceptional Items**		**-**	-
VII.	**Profit/(Loss) before tax (V + VI)**		**136504.60**	75863.54
VIII.	**Tax expense:**			
	(1) Current tax	**7**	**30803.18**	1676.78
	(2) Deferred tax		**2726.24**	-
IX.	**Profit/(loss) for the year from continuing operations (VII-VIII)**		**102975.18**	74186.76
X.	Profit/(loss) from discontinued operations		-	-
XI.	Tax expense of discontinued operations		-	-
XII.	**Profit/(loss) from Discontinued operations(after tax) (X - XI)**		-	-
XIII.	**Profit / (loss) for the year (IX + XII)**		**102975.18**	74186.76
XIV.	**Other Comprehensive Income**	**28**		
A.	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement of Defined Benefit Obligation		**(869.24)**	(157.47)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	**7**	**300.83**	-
B.	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income Tax relating to items that will be reclassified to profit or loss		-	-
XV.	**Total Comprehensive Income for the year (XIII + XIV)**			
	(Comprising Profit/ (Loss) and Other Comprehensive Income for the year)		**102406.77**	74029.29
XVI.	**Earning per equity share:**			
	(1) Basic (₹)		**69.15**	49.82
	(2) Diluted (₹)		**69.15**	49.82

See accompanying notes to the financial statements 1 - 43

(Gautam Roy)
Managing Director

(S.Krishna Prasad)
Director (Finance)

(P.Shankar)
Company Secretary

As per our attached Report of even date

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

SYMBOL OF VIBRANT GROWTH

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ in Lakhs)

	Particulars	31-Mar-17	31-Mar-16
A	**Cash Flow from Operating Activities**		
	1 Profit Before Tax	**136504.60**	75863.54
	2 Adjustments for :		
	Depreciation and impairment of property, plant and equipment	**33996.18**	27259.19
	Unclaimed / Unspent liabilities written back	**(415.19)**	(382.68)
	Loss/(gain) on disposal of property, plant and equipments (net)	**351.13**	(467.80)
	Amortisation and impairment of intangible assets	**45.54**	110.01
	Amortisation of Government Grants	**(222.76)**	(7.73)
	Provision for Probable Contingencies (net)	**1105.61**	-
	Provision for Capital work-in-progress	**237.70**	1070.14
	Provision for Doubtful Debts, Advances and Claims	**1082.80**	-
	Provision for Stores (net)	**220.80**	188.61
	Finance income	**(1572.80)**	(1596.96)
	Finance costs	**27278.21**	35172.26
	Dividend Income	**(591.70)**	(591.70)
	3 Operating Profit before Working Capital Changes (1+2)	**198020.12**	136616.88
	4 Change in Working Capital:		
	(Excluding Cash & Bank Balances)		
	Trade & Other Receivables	**(31747.19)**	93368.57
	Inventories	**(3451.45)**	57796.60
	Trade and Other Payables	**(88144.82)**	(59510.61)
	Provisions	**13905.25**	3178.43
	Change in Working Capital	**(109438.21)**	94832.99
	5 Cash Generated From Operations (3+4)	**88581.91**	231449.87
	6 Less : Taxes paid	**(28904.23)**	(2213.06)
	7 Net Cash Flow from Operating Activities (5-6)	**59677.68**	229236.81
B	**Cash Flow from Investing Activities:**		
	Proceeds from sale of Property, plant and equipment/Transfer of Assets	**14.93**	834.49
	Purchase of Property, plant and equipment	**(119110.56)**	(117183.67)
	Interest received (Finance Income)	**1572.80**	1596.96
	Dividend Income	**591.70**	591.70
	Net Cash Generated/(Used) in Investing Activities:	**(116931.13)**	(114160.52)
C	**Net Cash Flow From Financing Activities:**		
	Proceeds from Long-Term Borrowings (Including finance lease)	**32093.25**	100000.00
	Repayments of Long-Term Borrowings (Including finance lease)	**-**	(100000.00)
	Proceeds from/(Repayments of) Short-Term Borrowings	**61296.07**	(84222.65)
	Interest paid	**(31160.00)**	(30957.99)
	Dividends paid	**(5956.46)**	-
	Dividend distribution tax paid	**(1212.60)**	-
	Net Cash Generated/(Used) from Financing Activities:	**55060.26**	(115180.64)
D	**Net Change in Cash & Cash Equivalents (A+B+C)**	**(2193.19)**	(104.36)
E - 1	**Cash & cash equivalents as at end of the year**	**1692.98**	3886.17
E - 2	**Cash & cash equivalents as at beginning of the year**	**3886.17**	3990.53
	NET CHANGE IN CASH & CASH EQUIVALENTS (E 1- E 2)	**(2193.19)**	(104.36)

(Gautam Roy)
Managing Director

(S.Krishna Prasad)
Director (Finance)

(P.Shankar)
Company Secretary

As per our attached Report of even date

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

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2017

(a) Equity Share Capital (₹ in Lakhs)

	Equity shares of ₹10 each issued, subscribed and fully paid	Subscribed, called-up and paid-up share capital	Add: Forfeited shares (amount originally paid up)	Total paid-up equity share capital
At 1 April 2015	148911400	14891.14	9.32	14900.46
At 31 March 2016	148911400	14891.14	9.32	14900.46
At 31 March 2017	**148911400**	**14891.14**	**9.32**	**14900.46**

(b) Other equity (₹ in Lakhs)

	Reserves and Surplus					
	Securities Premium	Debenture Redemption Reserve	Capital Redemption reserve	Retained earnings	General reserve	Total
As at 1 April 2016	25003.82	15000.00	20000.00	(171780.96)	333019.84	**221242.70**
Profit for the Year	-	-	-	102975.18	-	**102975.18**
Other comprehensive income (Remeasurement of gain or loss on defined benefit plan)	-	-	-	-	(568.41)	**(568.41)**
Total comprehensive income	-	-	-	102975.18	(568.41)	**102406.77**
Transfer to Retained Earnings	-	-	-	-	-	**-**
Transfer to Capital Redemption Reserve	-	-	20000.00	(20000.00)	-	**-**
Transfer to Debenture Redemption Reserve	-	5000.00	-	(5000.00)	-	**-**
Dividend for FY 15-16	-	-	-	(5956.46)	-	**(5956.46)**
Dividend distribution tax (DDT) of FY 15-16	-	-	-	(1212.60)	-	**(1212.60)**
At 31 March 2017	**25003.82**	**20000.00**	**40000.00**	**(100974.84)**	**332451.43**	**316480.41**

For the Year ended 31 March 2016: (₹ in Lakhs)

	Reserve and Surplus					
	Securities Premium	Debenture Redemption Reserve	Capital Redemption reserve	Retained earnings	General reserve	Total
As at 1 April 2015	25003.82	-	-	(210967.72)	333177.31	**147213.41**
Profit for the Year	-	-	-	74186.76	-	**74186.76**
Other comprehensive income (Remeasurement of gain or loss on defined benefit plan)	-	-	-	-	(157.47)	**(157.47)**
Total comprehensive income	-	-	-	74186.76	(157.47)	**74029.29**
Transfer to Capital Redemption Reserve	-		20000.00	(20000.00)	-	**-**
Transfer to Debenture Redemption Reserve	-	15000.00	-	(15000.00)	-	**-**
Dividend	-	-	-	-	-	**-**
Dividend distribution tax (DDT)	-	-	-	-	-	**-**
At 31 March 2016	**25003.82**	**15000.00**	**20000.00**	**(171780.96)**	**333019.84**	**221242.70**

(Gautam Roy)
Managing Director

(S.Krishna Prasad)
Director (Finance)

(P.Shankar)
Company Secretary

As per our attached Report of even date

For R.Subramanian and Company LLP
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FRN: 004770S/S200025

V.C.Krishnan
Partner
Membership No: 022167

Place: Chennai
Date:15th May 2017

Note-1A Corporate Information & Significant Accounting Policies

A. Corporate Information

The stand-alone financial statements of "Chennai Petroleum Corporation Limited" ("the Company" or "CPCL") are for the year ended 31 March 2017. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at 536, Anna Salai, Teynampet, Chennai- 600018. (CIN – L40101TN1965GOI005389)

CPCL is in the business of refining crude oil to produce & supply various petroleum products.

Information on related party relationships of the Company is provided in Note 34

The stand-alone financial statements were approved for issue in accordance with a resolution of the directors on May 15 2017.

B. Standards issued but not yet effective

The MCA has notified Companies (Indian Accounting Standards) (Amendment) Rules, 2017 to amend Ind AS 7 'Statement of Cash flows' and Ind AS 102 "Share-based payment". They shall come into force w.e.f 1st April 2017. These have not been adopted early by the Company and accordingly, have not been considered in the preparation of the financial statements. The Company intends to adopt these standards, if applicable, when they become effective. The information that is expected to be relevant to the financial statements is provided below.

- **Amendments to Ind AS 7, Statement of Cash flows**

The amendment to Ind AS 7 introduces an additional disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Management is of the view that the amendment will have impact only on disclosures in relation to cash flow statement within the financial statements.

- **Amendments to Ind AS 102, Share Based payments**

The amendment is not relevant for the Company as it does not have any cash-settled share based payments or share based payments with a net-settled feature.

C. Significant Accounting Policies

1. BASIS OF PREPARATION

1.1. The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and with Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and comply in all material aspects with the relevant provisions of the Act.

For all periods up to 31st March 2015, the financial statements were prepared under historical cost convention in accordance with the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. These financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind AS. Refer to Note-42 for information on how the Company adopted Ind AS.

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

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

The stand-alone financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

2. FIXED ASSETS

2.1. Property, plant and equipment

2.1.1. The cost of an item of property, plant and equipment (PPE) is recognized as an asset if, and only if:

(i) it is probable that future economic benefits associated with the item will flow to the entity; and

(ii) the cost of the item can be measured reliably.

2.1.2. Property, plant and equipment are stated at acquisition cost less accumulated depreciation / amortization and cumulative impairment.

2.1.3. Technical know-how / license fee relating to plants/facilities and specific software that are integral part of the related hardware are capitalised as part of cost of the underlying asset.

2.1.4. Spare parts are capitalized when they meet the definition of PPE, i.e., when the Company intends to use these during more than a period of 12 months.

2.1.5. The acquisition of property, plant and equipment, directly increasing the future economic benefits of any particular existing item of property, plant and equipment, which are necessary for the Company to obtain the future economic benefits from its other assets, are recognized as assets.

2.1.6. On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the capital work in progress and property, plant and equipment.

2.2. Capitalisation of Construction period expenses:

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

2.2.2. Financing cost incurred during construction period on loans specifically borrowed and utilized for projects is capitalized on quarterly basis up to the date of capitalization.

2.2.3. Financing cost, if any, incurred on General Borrowings used for projects is capitalized at the weighted average cost. The amount of such borrowings is determined on quarterly basis.

2.3. Capital Stores included in CWIP

2.3.1. Capital stores are valued at cost. Specific provision is made for likely diminution in value, wherever required.

2.4. Intangible assets

2.4.1. 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.

2.4.2. Expenditure incurred on Research & Development, other than on capital account, is charged to revenue.

2.4.3. Computer software/licenses, other than specific software that are integral part of the related hardware, are capitalised as Intangible Asset and amortised over a period of three years beginning from the quarter in which such software is capitalised.

2.4.4. Right of ways with indefinite useful lives are not amortised, but are tested for impairment annually at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2.4.5. 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.

2.4.6. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life 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 or loss when the asset is derecognized.

2.4.7. On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

2.5. Depreciation / Amortisation

2.5.1. Cost of Property, Plant and Equipment (net of residual value) is depreciated on a straight-line basis over the useful lives of the assets prescribed in Schedule II of the Companies Act, 2013.

2.5.2. Depreciation / Amortisation is charged pro-rata on quarterly basis on assets, from / upto the quarter of capitalization / sale, disposal / or dismantled during the year. The Company depreciates components of the main assets that are significant in value and have different useful lives as compared to the main assets separately. The Company depreciates capitalized spares/stores over the life of the spare/store from the date it is available for use.

2.5.3. Assets, costing up to ₹ 5,000/- per item are depreciated fully in the year of capitalization.

2.5.4. Residual value is generally considered between 0 - 5 % of cost of assets. In case of catalyst with noble metal content, residual value is considered based on the historical cost of metal content. Further, spares, components like catalyst excluding noble metal content and major overhaul / inspection are also depreciated fully over their respective useful life.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.5.5. Gains or losses arising from de-recognition of Property, Plant and Equipment 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 or loss when the asset is derecognized.

3. LEASES

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

3.1.2. **Operating Leases as a lessee**

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

(i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken or given on lease; or

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

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

3.1.3. **Operating Leases as a lessor**

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except where-

(i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken or given on lease.; or

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

3.1.4. **Finance leases as lessee**

(i) Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

(ii) A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

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

4. IMPAIRMENT OF NON-FINANCIAL ASSETS

Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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 10 years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, 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

5.1. Borrowing costs that are attributable to the acquisition and construction of the qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

6. FOREIGN CURRENCY TRANSACTIONS/TRANSLATION

6.1. The Company's financial statements are presented in Indian Rupee (₹), which is also its functional currency.

6.2. Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transactions.

6.3. Monetary items denominated in foreign currencies (such as cash, receivables, payables etc) outstanding at the end of reporting period, are translated at exchange rates prevailing as at the end of reporting period.

6.4. Non-monetary items denominated in foreign currency, (such as investments, fixed assets etc.) are valued at the exchange rate prevailing on the date of the transaction, other than those measured at fair value.

6.5. Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are recognised in statement of profit or 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. Crude oil is valued at cost determined on weighted average basis or net realizable value, whichever is lower.

7.1.2. Crude oil in Transit is valued at cost or net realizable value, whichever is lower.

7.1.3. Stock in Process is valued at raw material cost plus fifty percent conversion costs as applicable or net realizable value, whichever is lower.

7.2. Finished Products and Stock-in-Trade

7.2.1. Finished products and stock in trade are valued at cost determined on 'First in First Out' basis or net realizable value, whichever is lower. Cost of Finished Products produced is determined based on raw material cost and processing cost.

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 are valued at lower of the weighted average cost or net realizable value.

8. PROVISIONS, CONTINGENT LIABILITIES AND COMMITMENTS

8.1. Provisions

8.1.1. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

8.1.2. When the Company expects some or all of a provision to be reimbursed, reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

8.1.3. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

8.2. Contingent Liabilities

8.2.1. Show-cause Notices issued by various Government Authorities are not considered as Obligation.

When the demand notices are raised against such show-cause notices and are disputed by the Company, these are classified as disputed obligations.

8.2.2. The treatment in respect of disputed obligations are as under:

a) a provision is recognized in respect of present obligations where the outflow of resources is probable;

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

8.3. Capital Commitments

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

9. REVENUE RECOGNITION

9.1. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

9.2. The recovery of excise duty flows to the Company on its own account and hence, revenue includes excise duty. However, sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

9.3. The specific recognition criteria described below must also be met before revenue is recognised:

(i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

(ii) Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

(iii) Dividends

Dividend income is recognized when the Company's right to receive dividend is established.

(iv) Others

Claims (including interest on outstanding) are recognized at cost when there is reasonable certainty regarding its ultimate collection.

9.4. 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

10.1. 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.

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 recognised using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

11.2.2. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

11.2.3. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

11.2.4. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

12. EMPLOYEE BENEFITS

12.1. Short Term 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

12.2.1. The Company's contribution to the Provident Fund is remitted to separate trust established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss/CWIP. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, is made good by the Company and charged to Statement of Profit and Loss/CWIP.

12.2.2. The Company operates defined benefit plan for Gratuity and Post Retirement Medical Benefits. The cost of providing such defined benefits is determined using the projected unit credit method of actuarial valuation made at the end of the year. Out of these plans, Gratuity is administered through a trust.

Obligations on other long term employee benefits viz. Compensated absences and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year.

12.2.3. The Company also operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate Trust.

12.3. Termination Benefits

Payments made under Voluntary Retirement Scheme are charged to Statement of Profit and Loss on incurrence.

12.4. Remeasurement of Post-Employment defined benefit plans

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 OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

(i) the date of the plan amendment or curtailment, and

(ii) the date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

13. GRANTS

13.1. Capital Grants

In case of depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Capital Grants which are recognized as income in the Statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

13.2. Revenue Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

In case of waiver of duty under EPCG license, such grant is considered as revenue grant and recognised in "Other Operating Revenue" in proportion of export obligations actually fulfilled during the accounting period.

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

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.

14. CURRENT VERSUS NON-CURRENT CLASSIFICATION

14.1. The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

14.2. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

14.3. All other assets are classified as non-current.

14.4. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

14.5. The Company classifies all other liabilities as non-current.

14.6. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

15. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

15.1. Financial assets

15.1.1. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

15.1.2. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial Assets at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at fair value through other comprehensive income (FVTOCI)
- Financial assets and derivatives at fair value through profit or loss (FVTPL)

15.1.3. Financial Assets at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

15.1.4. Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) the asset's contractual cash flows represent solely payments of principal and interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

15.1.5. Equity instrument at FVTOCI

A. Equity investments (Other than JVs and associates)

All equity investments in scope of Ind AS 109 are measured at fair value. The Company has made an irrevocable election to present subsequent changes in the fair value in other comprehensive income, excluding dividends. The classification is made on initial recognition/transition and is irrevocable.

There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company will transfer the cumulative gain or loss within equity.

B. Equity investments in JVs and associates

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

15.1.6. Debt Instruments and derivatives at FVTPL

FVTPL is a residual category for debt instrument. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. Interest income on such instruments has been presented under interest income.

15.1.7. 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.

15.2. 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; and

b. Lease receivables under Ind AS 17

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.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit

risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

15.3. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of liabilities measured at amortised cost net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loans and borrowings including derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

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 profit or 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 profit or loss.

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 profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

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 or loss.

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 though profit or loss. These embedded derivatives, if any, are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

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.

Derivative instrument Initial recognition / Subsequent measurement

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. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Commodity contracts

Commodity contracts, if any, those are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or 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 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.

16.3. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

In case of Level 3 valuations, external valuers are also involved in some cases.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

17. 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.

18. 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.

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. 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.

JUDGEMENTS

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential quantum of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events

Refer Note no. 33 for details of Continget Liabilities

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. 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.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less cost of disposal used to determine the recoverable amounts of the impaired assets are not based on observable market data, rather , management's best estimates.

The value in use calculation is based on a DCF model. The cash flows do not include impact of significant future investments that may enhance the asset's performance of the CGU being tested. The results of impairment test are sensitive to changes in key judgements, such as changes in commodity prices, future changes in alternate use of assets etc, which could result in increase or decrease of the recoverable amounts and result in additional impairment charges or recovery of impairment charged.

Refer Note 43.2 on impairment recognized during the year.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. The net tax expense has been arrived at after considering deferred tax liability and Credit for Minimum Alternate Tax (including credits available in the previous year), considering the availability of MAT credit for utilisation against the future year's tax liability. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Refer Note 7 on Taxes

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation 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, which is most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government securities of relatable maturity.

The mortality rate is based on publicly available mortality tables which tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 32.

Note – 2 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

		AT COST				DEPRECIATION, AMORTISATION AND IMPAIRMENT									NET BLOCK	
	Note	Gross Block as at 1 April 2016	Additions during the Year	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	Gross Block as at 31st March 2017	Depreciation and Amortisation as at 1st April 2016	Depreciation and Amortisation during the Year		Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	Total Depreciation and Amortisation up to 31 March 2017	Total Impairment Loss as at 1 April 2016	Impairment Loss during the Year (D)	Impairment loss reversed during the Year	Total Impairment Loss up to 31 March 2017	AS AT 31st March 2017	AS AT 31st March 2016
							Adjusted in General Reserve	Charged to statement of profit & Loss a/c								
		Refer E			Refer E											
Land - Freehold	A	**3784.10**	220.58	-	**4004.68**	-	-	-	-	-	-	-	-	-	**4004.68**	3784.10
Land - Leasehold		**591.99**	-	-	**591.99**	**7.04**	-	7.04	-	**14.08**	-	-	-	-	**577.91**	584.95
Buildings, Roads etc.		**13724.07**	-	(2.08)	**13721.99**	**779.73**	-	659.57	(0.60)	**1438.70**	-	1469.74	-	1469.74	**10813.55**	12944.34
Plant and Equipment	B	**415353.03**	8156.64	(1613.12)	**421896.55**	**25034.70**	-	26434.16	(670.30)	**50798.56**	-	2752.80	-	2752.80	**368345.19**	390318.33
Office Equipments		**1147.47**	587.63	(27.34)	**1707.76**	**339.14**	-	368.80	(18.63)	**689.31**	-	-	-	-	**1018.45**	808.33
Transport Equipments		**695.19**	267.60	(7.27)	**955.52**	**38.00**	-	55.24	(0.65)	**92.59**	-	-	-	-	**862.94**	657.19
Furniture and Fixtures		**729.84**	181.95	(26.97)	**884.82**	**183.77**	-	180.67	(10.29)	**354.15**	-	-	-	-	**530.67**	546.07
Railway Sidings	C	**0.30**	-	-	**0.30**	-	-	-	-	-	-	-	-	-	**0.30**	0.30
Drainage, Sewage and Water Supply System		**1873.33**	-	-	**1873.33**	**112.79**	-	112.05	-	**224.84**	-	19.06	-	19.06	**1629.43**	1760.54
Total	**E**	**437899.32**	**9414.40**	**(1676.78)**	**445636.94**	**26495.17**	-	**27817.53**	**(700.47)**	**53612.23**	-	**4241.60**	-	**4241.60**	**387783.12**	**411404.15**

		AT COST				DEPRECIATION, AMORTISATION AND IMPAIRMENT									NET BLOCK	
	Note	Gross Block as at 1 April 2015	Additions during the Year	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	Gross Block as at 31 March 2016	Depreciation and Amortisation as at 1 April 2015	Depreciation and Amortisation during the Year		Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	Total Depreciation and Amortisation up to 31 March 2016	Total Impairment Loss as at 1 April 2015	Impairment Loss during the Year	Impairment loss reversed during the Year	Total Impairment Loss up to 31 March 2016	AS AT 31st March 2016	AS AT 31st March 2015
							Adjusted in General Reserve	Charged to statement of profit & Loss a/c								
		Refer E			Refer E											
Land - Freehold	A	**3784.10**	-	-	**3784.10**	-	-	-	-	-	-	-	-	-	**3784.10**	3784.10
Land - Leasehold		**657.51**	-	(65.52)	**591.99**	-	-	7.24	(0.20)	**7.04**	-	-	-	-	**584.95**	657.51
Buildings, Roads etc.		**13075.69**	661.76	(13.38)	**13724.07**	-	-	779.73	-	**779.73**	-	-	-	-	**12944.34**	13075.69
Plant and Equipment		**386500.91**	29879.48	(1027.36)	**415353.03**	-	-	25793.25	(758.55)	**25034.70**	-	-	-	-	**390318.33**	386500.91
Office Equipments		**831.39**	321.45	(5.37)	**1147.47**	-	-	340.88	(1.74)	**339.14**	-	-	-	-	**808.33**	831.39
Transport Equipments		**533.65**	161.77	(0.23)	**695.19**	-	-	38.00	-	**38.00**	-	-	-	-	**657.19**	533.65
Furniture and Fixtures		**637.73**	110.96	(18.85)	**729.84**	-	-	187.30	(3.53)	**183.77**	-	-	-	-	**546.07**	637.73
Railway Sidings	C	**0.30**	-	-	**0.30**	-	-	-	-	-	-	-	-	-	**0.30**	0.30
Drainage, Sewage and Water Supply System		**1873.33**	-	-	**1873.33**	-	-	112.79	-	**112.79**	-	-	-	-	**1760.54**	1873.33
Total	**E**	**407894.61**	**31135.42**	**(1130.71)**	**437899.32**	-	-	**27259.19**	**(764.02)**	**26495.17**	-	-	-	-	**411404.15**	**407894.61**

A. Gross block of Land includes ₹18.36 Lakhs deposited towards 50.93 acres of Land for which assignment deed is yet to be received from Govt. of TamilNadu.
B. The cost of assets includes EPCG benefit (net of CENVAT), 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.
D. Impairment loss pertains to Cauvery Basin Refinery (refer Note 43.2)
E. The cost of assets are net of VAT/CENVAT, wherever applicable

SYMBOL OF VIBRANT GROWTH

Note – 2 : PROPERTY, PLANT AND EQUIPMENT

Details of assets under finance lease included above: (₹ in Lakhs)

Asset Particulars	Deemed Cost as on 01.04.2015	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31-Mar-17	W.D.V. as at 31-Mar-16	W.D.V. as at 31-Mar-15
Plant and Equipment	995.33	103.06	-	**892.27**	943.80	995.33
Buildings	825.54	70.85	-	**754.69**	790.12	825.54
Total	**1820.87**	**173.91**	**-**	**1646.96**	1733.92	1820.87

Additions to Gross Block Includes: (₹ in Lakhs)

Asset Particulars	Borrowing Cost	
	31-Mar-17	31-Mar-16
Plant and Equipment	-	473.83
Total	**-**	473.83
Effective weighted average interest rate of borrowings capitalised (Rate in %)	Nil	9.04%

Details of Assets as per Previous IGAAP (₹ in Lakhs)

Asset Particulars	Gross Block 01-Apr-15	Net Block 01-Apr-15
Land - Freehold	3784.10	3784.10
Land - Leasehold	780.85	657.51
Buildings	27408.02	12614.97
Plant and Equipment	774551.62	386102.64
Office Equipments	4245.86	831.39
Transport Equipment	2453.95	533.65
Furniture & Fixtures	1972.43	637.73
Railway Sidings	6.12	0.30
Drainage, Sewage& Water Supply	2401.40	1873.33
Total	**817604.35**	**407035.62**

Note – 2.1 : CAPITAL WORK-IN-PROGRESS (₹ in Lakhs)

Sl.No	Particulars	Note		31-Mar-17	31-Mar-16	01-Apr-15
1	Construction Work in Progress - Fixed Assets (Including unallocated capital expenditure, materials at site)					
	Balance as at beginning of the year		165970.69		74970.68	30407.62
	Add: Additions during the year		114598.24		118604.51	48556.05
	Less: Allocated/ Capitalised during the year		3893.73		27604.50	3992.99
			276675.20		165970.69	74970.68
	Less: Provision for Capital Losses		1307.84		1070.14	-
	Less: Impairment Loss	A	1908.84		-	-
				273458.52	164900.55	74970.68
2	Capital stores balance as at beginning of the year		2708.70		3633.77	3437.88
	Add: Additions during the year		6106.11		2488.04	1200.14
	Less: Allocated during the year		6312.02		3413.11	1004.25
			2502.79		2708.70	3633.77
	Less: Provision for Capital Losses		300.57		300.57	311.61
	Capital stores			**2202.22**	2408.13	3322.16
3	Construction Period Expenses pending allocation:					
	Net expenditure during the year (Note -"2.2")		11717.10		9241.45	3734.90
	Less: Allocated during the year		11717.10		9241.45	3734.90
				-	-	-
	TOTAL	B		**275660.74**	167308.68	78292.84

A Impairment loss pertains to Cauvery Basin Refinery (refer Note 43.2)

B The cost of assets includes EPCG benefit (net of CENVAT), wherever applicable

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

(₹ in Lakhs)

	Particulars	31-Mar-17	31-Mar-16	01-Apr-15
1	Employee Benefit expenses	**1311.05**	1030.39	861.27
2	Power & Fuel	**282.69**	76.32	-
3	Finance Cost	**10046.42**	8067.81	2822.72
4	Travelling Expenses and Others	**76.94**	66.93	50.91
	Net Expenditure during the year	**11717.10**	9241.45	3734.90
	Effective weighted average interest rate of borrowings eligible for capitalisation (Rate in %)	**9.27**	9.65	9.57

Note – 3 : INTANGIBLE ASSETS

(1) Intangible assets with definite useful life

(₹ in Lakhs)

	AT COST					AMORTISATION AND IMPAIRMENT							NET BLOCK	
	Gross Block as at 1 April 2016	Additions during the Year - internally developed	Additions during the Year - acquired separately	Disposals / Deductions / Transfers to Held for Sale / Reclassifications/ Discountinued Operations	Gross Block as at 31 March 2017	Total Amortisation as at 1 April 2016	Amortisation during the Year	Disposals / Deductions / Transfers / Reclassifications/ Discontinued Operations	Total Amortisation upto 31 March 2017	Total Impairment Loss as at 1 April 2016	Impairment Loss during the Year (A)	Total Impairment Loss upto 31 March 2017	AS AT 31 March 2017	AS AT 31 March 2016
Computer Software	**50.63**	-	30.55	-	**81.18**	**36.48**	19.94	-	**56.42**	-	1.32	1.32	**23.44**	14.15
Technical Know-How, Royalty and License Fees	**576.01**	-	-	-	**576.01**	**73.53**	25.60	-	**99.13**	-	-	-	**476.88**	502.48
Total	**626.64**	-	**30.55**	-	**657.19**	**110.01**	**45.54**	-	**155.55**	-	**1.32**	**1.32**	**500.32**	**516.63**

	AT COST					AMORTISATION AND IMPAIRMENT							NET BLOCK	
	Gross Block as at 1 April 2015	Additions during the Year - internally developed	Additions during the Year - acquired separately	Disposals / Deductions / Transfers to Held for Sale / Reclassifications/ Discountinued Operations	Gross Block as at 31 March 2016	Total Amortisation as at 1 April 2015	Amortisation during the Year	Disposals / Deductions / Transfers / Reclassifications/ Discontinued Operations	Total Amortisation upto 31 March 2016	Total Impairment Loss as at 1 April 2015	Impairment Loss during the Year (A)	Total Impairment Loss upto 31 March 2016	AS AT 31 March 2016	AS AT 31 March 2015
Computer Software	**41.53**	-	9.10	-	**50.63**	-	36.48	-	**36.48**	-	-	-	**14.15**	41.53
Technical Know-How, Royalty and License Fees	**576.01**	-	-	-	**576.01**	-	73.53	-	**73.53**	-	-	-	**502.48**	576.01
Total	**617.54**	-	**9.10**	-	**626.64**	-	**110.01**	-	**110.01**	-	-	-	**516.63**	**617.54**

(2) Intangible assets with indefinite useful life

(₹ in Lakhs)

	AT COST				AMORTISATION AND IMPAIRMENT			NET BLOCK	
	Gross Block as at 1 April 2016	Additions during the Year - internally developed	Additions during the Year - acquired separately	Disposals / Deductions / Transfers to Held for Sale / Reclassifications/ Discountinued Operations	Gross Block as at 31 March 2017	Total Impairment Loss as at 1 April 2016	Impairment Loss during the Year (A)	Total Impairment Loss upto 31 March 2017	AS AT 31 March 2017	AS AT 31 March 2016
Right of Way	**26.88**	-	-	-	**26.88**	-	26.88	**26.88**	-	26.88
Total	**26.88**	-	-	-	**26.88**	-	**26.88**	**26.88**	-	**26.88**

(A) Impairment loss pertains to Cauvery Basin Refinery (Refer Note 43.2)

(₹ in Lakhs)

	AT COST				AMORTISATION AND IMPAIRMENT			NET BLOCK	
	Gross Block as at 1 April 2015	Additions during the Year - internally developed	Additions during the Year - acquired separately	Disposals / Deductions / Transfers to Held for Sale / Reclassifications/ Discountinued Operations	Gross Block as at 31 March 2016	Total Impairment Loss as at 1 April 2015	Impairment Loss during the Year	Total Impairment Loss upto 31 March 2016	AS AT 31 March 2016	AS AT 31 March 2015
Right of Way	26.88	-	-	-	**26.88**	-	-	-	**26.88**	26.88
Total	**26.88**	-	-	-	**26.88**	-	-	-	**26.88**	**26.88**

Note – 3.1 : INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Lakhs)

Particulars		31-Mar-17	31-Mar-16	01-Apr-15
Work in Progress - Intangible Asset:				
Balance as at beginning of the year	596.98		596.98	596.98
Add: Net expenditure during the year	-		-	-
	596.98		596.98	596.98
Less: Allocated during the year	-		-	-
	596.98		596.98	596.98
TOTAL		**596.98**	596.98	596.98

Note : Pertains to Property, Plant and Equipment under construction

Note – 4 : INVESTMENT IN JOINT VENTURES

(₹ in Lakhs)

Sl. No	Particulars	No. and Particulars	Face Value per share (₹)	Non-current		
				31-Mar-17	31-Mar-16	01-Apr-15
I	**Investments in equity shares**					
1	**Unquoted:**					
a)	**Investment in Joint Venture Companies:**					
	Indian Additives Ltd.	1183401 Equity Shares fully paid	100	**1183.40**	1183.40	1183.40
	National Aromatics and Petrochemical Corporation Limited	25000 Equity Shares fully paid	10	**2.50**	2.50	2.50
	Less: Provision for Diminution			**2.50**	2.50	2.50
				-	-	-
	TOTAL			**1183.40**	1183.40	1183.40
	Aggregate value of unquoted investments			**1185.90**	1185.90	1185.90
	Aggregate amount of provision for value of investments			**2.50**	2.50	2.50

Note – 4.1 : INVESTMENTS

(₹ in Lakhs)

Sl. No	Particulars	No. and Particulars	Face Value per share (₹)	Non-current		
				31-Mar-17	31-Mar-16	01-Apr-15
I	**Other Investments:**					
	Investments at fair value through OCI (fully paid):					
a)	BioTech Consortium India Ltd	100000 Equity Shares fully paid	10	**10.00**	10.00	10.00
b)	MRL Industrial Cooperative Service Society Ltd	9000 Shares fully paid	10	**0.90**	0.90	0.90
	TOTAL		**A**	**10.90**	10.90	10.90
	Aggregate value of unquoted investments			**10.90**	10.90	10.90
	Aggregate amount of provision for value of investments			**-**	**-**	**-**

A Fair Value approximates carrying value

Note – 5 : LOANS

(₹ in Lakhs)

SL. No	Particulars	Note	Non-current			Current		
			31-Mar-17	31-Mar-16	01-Apr-15	**31-Mar-17**	31-Mar-16	01-Apr-15
1	**Security Deposits**							
	i) Unsecured, Considered Good		-	-	-	**932.68**	1168.90	987.51
2	**Loans:**							
	To Related Parties							
	i) Secured, Considered Good	**A.1**	3.74	3.97	4.33	0.84	0.40	0.40
	ii) Unsecured, Considered Good	**A.2**	1.84	4.18	4.87	2.28	26.77	26.27
			5.58	8.15	9.20	**3.12**	27.17	26.67
	To Others							
	i) Secured, Considered Good		2054.28	2082.36	2161.31	467.15	427.33	582.13
	ii) Unsecured, Considered Good		1234.17	1465.20	1002.90	1085.17	1179.96	591.89
			3288.45	3547.56	3164.21	**1552.32**	1607.29	1174.02
	Sub Total		**3294.03**	3555.71	3173.41	**1555.44**	1634.46	1200.69
	TOTAL		**3294.03**	3555.71	3173.41	**2488.12**	2803.36	2188.20

NOTES:

A.1	**Includes:**						
	1 Due from Directors	**0.25**	0.58	-	**0.34**	0.33	0.33
	2 Due from Officers	**3.49**	3.39	4.33	**0.50**	0.07	0.07
A.2	Includes:						
	1 Due from Directors	**1.32**	2.96	3.40	**1.55**	25.62	25.62
	2 Due from Officers	**0.52**	1.22	1.47	**0.73**	1.15	0.65

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

		Amount as on			Maximum Amount outstanding during the year ended		
		31-Mar-17	31-Mar-16	01-Apr-15	**31-Mar-17**	31-Mar-16	01-Apr-15
I.	Loans and Advances in the nature of loans:						
A)	To Parent Company	-	-	-	**-**	-	-
B)	To Associates /Joint Venture	-	-	-	**-**	-	-
C)	To Firms/Companies in which directors are are interested	-	-	-	**-**	-	-

Note – 6 : OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Sl. No	Particulars	Non - Current			Current		
		31-Mar-17	31-Mar-16	01-Apr-15	**31-Mar-17**	31-Mar-16	01-Apr-15
1	**Deposit for Leave Encashment Fund**	**4740.67**	4683.30	7663.76	-	-	-
2	**Interest Accrued on Investments/ Bank Deposits/ Loans**	-	-	-	**2.47**	48.95	47.47
3	**Claims Recoverable :**						
	a) From Related Parties						
	i) Unsecured, Considered Good	-	-	-	140.00	802.37	698.68
	ii) Unsecured, Considered Doubtful	-	-	-	2156.81	1440.36	1440.36
		-	-	-	**2296.81**	2242.73	2139.04
	b) Others						
	i) Unsecured, Considered Good	-	-	-	354.66	1255.68	533.37
	ii) Unsecured, Considered Doubtful	-	-	-	584.17	218.19	478.05
		-	-	-	938.83	1473.87	1011.42
	Less : Provision for Doubtful Claims	-	-	-	2740.98	1658.55	1918.41
	Sub Total	-	-	-	**494.66**	2058.05	1232.05
4	**Other Financial Assets**	-	-	-	**223.59**	518.84	1367.32
	TOTAL	**4740.67**	4683.30	7663.76	**720.72**	2625.84	2646.84

SYMBOL OF VIBRANT GROWTH

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

	Particulars		31-Mar-17	31-Mar-16	01-Apr-15
1	**Tax Asset/ (Liability) - Net (Current)**				
	Advance payments for Current Tax	31254.15		2573.10	360.04
	Less: Provision for Current Tax	33061.88		1755.40	-
		(1807.73)		817.70	360.04
	Current Tax Asset/ (Liability) - Net		(1807.73)	817.70	360.04
	TOTAL		**(1807.73)**	817.70	360.04

(I) A numerical reconciliation between tax expense / (income) and product of accounting profit multiplied by the applicable tax rates, disclosing also the basis on which applicable tax rates is/ are computed

Income Tax Expense:

	31-Mar-17	31-Mar-16
Current tax		
Current tax on Profit for the year	**30803.18**	1676.78
Deferred tax		
Decrease /(increase) in deferred tax assets	**2992.20**	(1002.02)
(Decrease) /increase in deferred tax liabilities	**(566.79)**	1002.02
Deferred Tax - Total	**2425.41**	-
Income tax expense - Total	**33228.59**	1676.78

	31-Mar-17	31-Mar-16
Accounting profit	**136504.61**	75863.54
Tax at the applicable tax rate of 34.608% (31.3.2016: 34.608%)	**47241.52**	26254.86
Tax effect of income that are not taxable in determining taxable profit:		
Exempt Income	(125.60)	(125.60)
Recognition of DTA on carry forward losses pertaining to earlier years (restricted to the extent of DTL in the respective years)	(15568.52)	(10064.36)
Others	(1.25)	-
Tax effect of expenses that are not deductible in determining taxable profit:		
Dividend Paid	886.74	-
Ind AS Opening Reserve adjustment & others	424.81	-
Interest on Income tax & other disallowances	107.41	-
Provision expenditure non deductible	564.31	311.98
Others	-	614.99
Utilisation of Unabsorbed Business Loss and Unabsorbed Depreciation	-	(15315.09)
Tax expense	**33529.42**	1676.78
Deferred tax related to OCI		
Other Comprehensive Income		
Remeasurement of Defined Benefit Obligation-Gain / (Loss)	(869.24)	(157.47)
Deferred tax Charged to OCI	(300.83)	-
Total Tax Expense on Total Comprehensive Income	**33228.59**	1676.78

The Company has carry forward business losses of Nil (2016: ₹111098.70 Lakhs) and unabsorbed depreciation of ₹106440.08 Lakhs (2016: ₹145656.98 Lakhs).

In the previous financial year, Company has restricted the recognition of Deferred Tax Asset in respect of carry forward business loss and unabsorbed depreciation only to the extent of tax liability on future taxable income arising on account of reversal of temporary differences.

	As at 01-Apr-15	Provided during the Year 2015-16	As at 31-Mar-16	Provided during the Year 2016-17	As at 31-Mar-17
Deferred tax liability:					
Related to Fixed Assets (Depreciation)	76613.17	911.21	77524.38	(486.27)	**77038.11**
Retirement benefits to employees		90.81	90.81	(80.52)	**10.29**
Total deferred tax liability (A)	**76613.17**	**1002.02**	**77615.19**	**(566.79)**	**77048.40**
Deferred tax assets:					
Carry forward Business Loss / Unabsorbed Depreciation	76613.17	1002.02	77615.19	(40778.41)	**36836.78**
Provision on Inventories, Trade Receivables, Loans and advances, CWIP, Investments etc.	-	-	-	2488.73	**2488.73**
43B Disallowances, Bonus , Gratuity etc.	-	-	-	4494.30	**4494.30**
MAT Credit Entitlement	-	-	-	30803.18	**30803.18**
Total deferred tax assets (B)	**76613.17**	**1002.02**	**77615.19**	**(2992.20)**	**74622.99**
Deferred Tax Liability (Net) (A - B)	**-**	**-**	**-**	**2425.41**	**2425.41**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Note – 8 : OTHER ASSETS

(₹ in Lakhs)

Sl. No	Particulars	Non - Current			Current		
		31-Mar-17	31-Mar-16	01-Apr-15	**31-Mar-17**	31-Mar-16	01-Apr-15
1	**Advance for Capital Expenditure**						
	a) To Related Parties						
	i) Unsecured, Considered Good	140.92	4.10	-	-	-	-
	b) To Others						
	i) Unsecured, Considered Good	7906.83	7382.57	5726.17			
		8047.75	7386.67	5726.17	-	-	-
2	**Advances**						
	i) Unsecured, Considered Good	-	-	-	**3769.49**	2368.65	2355.31
3	**Claims Recoverable : From Custom, Excise, Sales tax & Income Tax dept**						
	i) Unsecured, Considered Good	-	-	-	**26260.07**	22146.31	11497.04
4	**Cenvat, VAT, service tax recoverable**	-		-	**5429.04**	5898.54	2861.30
5	**Balance with Customs, Port Trust and Excise Authorities:**						
	i) Unsecured, Considered Good	-	-	-	**573.57**	61.75	291.01
6	**Gold Coins in Hand (at Cost)**	**-**	-	-	62.54	63.88	66.92
	Less : Provision for Diminution	**-**	-	-	8.52	14.36	-
		-	-	-	**54.02**	49.52	66.92
7	**Materials given on loan:**						
	a) To Related Parties						
	i) Unsecured, Considered Good	-	-	-	-	52.28	60.23
8	**Deferred Expenses**	**1702.60**	1841.58	1926.94	**295.78**	302.18	217.45
	TOTAL	**9750.35**	9228.25	7653.11	**36381.97**	30879.23	17349.26

SYMBOL OF VIBRANT GROWTH

Note – 9 : INVENTORIES

(₹ in Lakhs)

Sl.No.	Particulars		31-Mar-17	31-Mar-16	01-Apr-15
1	**In Hand :**				
	a. Stores, Spares etc.	22534.93		22821.17	21901.24
	Less : Provision for Losses	2830.77		2609.97	2424.31
			19704.16	20211.20	19476.93
	b. Raw Materials		**124001.56**	68412.53	94471.02
	c. Finished Products		**99157.37**	114527.05	117131.43
	d. Stock in Process		**32539.95**	27673.08	45925.32
			275403.04	230823.86	277004.70
2	**In Transit :**				
	a. Stores & Spares etc.		**1383.92**	536.06	660.05
	b. Raw Materials		**43926.37**	86122.76	99401.96
			45310.29	86658.82	100062.01
	TOTAL		**320713.33**	317482.68	377066.71
	Impact of Valuation of closing inventories carried at net realisable value recognised in Statement of Profit & loss		**4989.17**	318.14	488.96

Note – 10 : TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	Note		31-Mar-17	31-Mar-16	01-Apr-15
1 **Over Six Months:**					
a) From Related Parties					
i) Unsecured, Considered Good	(i)	-		0.81	-
b) From Others					
i) Unsecured, Considered Good		41.57		65.27	309.62
ii) Unsecured, Considered Doubtful		-		-	116.60
Total		41.57		66.08	426.22
Less : Provision for Doubtful Debts		-		-	116.60
			41.57	66.08	309.62
2 **Other Debts :**					
a) From Related Parties					
i) Unsecured, Considered Good	(i)	89498.30		61819.37	162287.09
b) From Others					
i) Secured Considered Good	(ii)	7497.96		9132.71	9037.60
ii) Unsecured, Considered Good		7001.64		5139.39	11281.95
			103997.90	76091.47	182606.64
TOTAL			**104039.47**	76157.55	182916.26

(i) Includes receivables from Indian Oil Corporation Ltd., the holding company - ₹89104.45 Lakhs (2016: ₹61334.93 Lakhs; 2015: ₹161885.99 Lakhs) and receivables from Indian Additives Limited., Joint Venture Company - ₹393.85 Lakhs(2016: ₹485.25 Lakhs ; 2015: ₹401.10 Lakhs). For Terms & Conditions relating to Related Party transactions, Refer note 34

(ii) Represents dues for which mortgage and first charge on Fixed asset is in favour of the company to the extent of ₹10000 Lakhs (2016: ₹10000 Lakhs; 2015: ₹10000 Lakhs)

Note – 11 : CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

	Particulars	31-Mar-17	31-Mar-16	01-Apr-15
1	**Bank Balances with Scheduled Banks :**			
	a) Current Account	**26.25**	9.18	29.31
2	**Cash Balances, Including Imprest**	**-**	**-**	0.08
	TOTAL	**26.25**	9.18	29.39

Note – 12 : OTHER BANK BALANCES

(₹ in Lakhs)

	Particulars	Note	31-Mar-17	31-Mar-16	01-Apr-15
1	Balances with bank held as other commitments		**517.90**	488.12	459.55
2	Earmarked Balances	**A**	**1148.83**	3388.87	3501.59
	TOTAL		**1666.73**	3876.99	3961.14

NOTES:

A) Pertains to unpaid dividend. (Refer note 16- Sl.No.9)

Note – 13 : EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Note	31-Mar-17	31-Mar-16	01-Apr-15
Authorized:				
Equity:				
40,00,00,000 (2016: 40,00,00,000; 2015: 40,00,00,000) Equity Shares of ₹10 each		**40000.00**	40000.00	40000.00
Preference:				
100,00,00,000 (2016:100,00,00,000; 2015: NIL) Non-Convertible Cumulative Redeemable Preference Shares of ₹10 each		**100000.00**	100000.00	-
		140000.00	140000.00	40000.00
Issued :				
Equity:				
17,00,00,000 (2016: 17,00,00,000; 2015: 17,00,00,000) Equity Shares of ₹10 each	(i)	**17000.00**	17000.00	17000.00
Preference:				
100,00,00,000 (2016:100,00,00,000; 2015: NIL) Non-Convertible Cumulative Redeemable Preference Shares of ₹10 each	(ii)	**100000.00**	100000.00	-
		117000.00	117000.00	17000.00
Subscribed, Called-up and Paid-up :				
14,89,11,400 (2016: 14,89,11,400; 2015: 14,89,11,400) Equity shares of ₹10 each	(i)	**14891.14**	14891.14	4891.14
Add: Forfeited Shares (amount originally paid up)		**9.32**	9.32	9.32
Total Paid up Equity share Capital		**14900.46**	14900.46	14900.46
TOTAL		**14900.46**	14900.46	14900.46

(i) 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.

(ii) Based on special resolution passed by the shareholders through postal ballot on 16.07.2015, the company has allotted 100 Crore Non Convertible Cumulative Redeemable Preference Shares of ₹10 each for cash at par amounting to ₹1000 Crore to Indian Oil Corporation Ltd, the holding company on private placement preferential allotment basis on 24.09.2015 after receipt of full subscription amount.

Preference Shares classified as financial liability (long term borrowing) as per Ind AS 32 - Refer note - 15(II) (C) and note (ii) thereon

Note – 13 : EQUITY SHARE CAPITAL

A. Reconciliation of No. of Shares	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
	Equity Shares	**Preference Shares**	Equity Shares	Preference Shares	Equity Shares	Preference Shares
Opening Balance	**148911400**	**1000000000**	148911400	-	148911400	-
Shares Issued	-	-	-	1000000000	-	-
Shares bought back	-	-	-	-	-	-
Closing Balance	**148911400**	**1000000000**	148911400	1000000000	148911400	-

B. Rights, preferences and restrictions attached to 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 Lakhs)**

A. Reconciliation of No. of Shares		31 March 2017	31 March 2016	01 April 2015
7,72,65,200 Equity Shares of ₹10 each (51.89%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.		**7726.52**	7726.52	7726.52

D. Details of shareholders holding more than 5% shares

Equity Shares

Name of Shareholder		31 March 2017		31 March 2016		01 April 2015	
		Number of shares held	**Percentage of Holding**	Percentage of Holding	Number of shares held	Number of shares held	Percentage of Holding
Indian Oil Corporation Limited		**77265200**	**51.89**	77265200	51.89	77265200	51.89
Naftiran Intertrade Company Limited		**22932900**	**15.40**	22932900	15.40	22932900	15.40

SYMBOL OF VIBRANT GROWTH

Note – 14 : OTHER EQUITY

(₹ in Lakhs)

Sl. No	Particulars		31-Mar-17	31-Mar-16	01-Apr-15
1	**Retained Earnings**				
a)	**General Reserve :**				
	As per last Account	333019.84		333177.31	336571.15
	Add: Opening Balance Adjustment due to Ind-AS	-		-	(1809.21)
	Add: Remeasurement of Defined Benefit Plans	(568.41)		(157.47)	-
	Less: Adjustment of Depreciation (Companies Act, 2013)	-		-	1584.63
		332451.43		333019.84	333177.31
b)	**Surplus (Balance in Statement of Profit and Loss):**				
	Balance Brought Forward from Last Year's Account	(171780.96)		(210967.72)	(210967.72)
	Add: Profit for the Year	102975.18		74186.76	-
	Less: APPROPRIATIONS:			-	-
	Final Dividend	5956.46		-	
	Bond Redemption Account	5000.00		15000.00	-
	Capital Redemption Account	20000.00		20000.00	-
	Dividend Distribution Tax on Final Dividend	1212.60		-	-
	Balance carried forward to next year's account	(100974.84)		(171780.96)	(210967.72)
			231476.59	161238.88	122209.59
2	**Other Reserves**				
a)	**Bond Redemption Reserve Account :**				
	As per last Account	15000.00		-	-
	Add: Transferred from Profit and Loss Account	5000.00		15000.00	-
			20000.00	15000.00	-
b)	**Capital Redemption Reserve :**				
	As per last Account	20000.00		-	-
	Add: Transferred from Profit and Loss Account	20000.00		20000.00	-
			40000.00	20000.00	-
c)	**Securities Premium Account :**				
	As per last Account		**25003.82**	25003.82	25003.82
	TOTAL		**316480.41**	221242.70	147213.41

Note – 15 : LONG-TERM BORROWINGS

(₹ in Lakhs)

Sl. No	Particulars	Note	Non - Current			Current Maturities		
			31-Mar-17	31-Mar-16	01-Apr-15	**31-Mar-17**	31-Mar-16	01-Apr-15
I.	**SECURED LOANS**							
1	**Bonds:**							
	10000 Nos. of 8.85% Secured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - I	**A**	-	-	-	-	-	100000.00
	10000 Nos. of 9.65% Secured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - II	**B**	100000.00	100000.00	100000.00	-	-	-
	Total (Bonds)		**100000.00**	100000.00	100000.00	-	-	100000.00
	Total Secured Loans		**100000.00**	100000.00	100000.00	-	-	100000.00
II.	**UNSECURED LOANS**							
1	**Term Loans:**							
	i) From Banks/Financial Institutions: In Foreign Currency US $ 50 Million (2016: NIL; 2015: NIL)	**D**	32427.50	-	-	-	-	-
	Total (Term Loans)		**32427.50**	-		-	-	-
2	**Loans from related parties:** 100,00,00,000 (2016:100,00,00,000; 2015: NIL) Non-Convertible Cumulative Redeemable Preference Shares of ₹10 each	**C**	**100000.00**	100000.00	-	-	-	-
3	**Long-term maturities of finance lease obligations from related parties**	**E**	-	334.25	636.39	**334.25**	302.15	279.63
	Total Unsecured Loans		**132427.50**	100334.25	636.39	**334.25**	302.15	279.63
	TOTAL LONG-TERM BORROWINGS		**232427.50**	200334.25	100636.39	**334.25**	302.15	100279.63

SYMBOL OF VIBRANT GROWTH

Note – 15 : LONG-TERM BORROWINGS

Sl. No	Particulars	Allotment Date	Coupon Rate	Effective interest rate	Date of Redemption	Security Details
A	Secured Redeemable Non Convertible Debentures (Series-I)	18.02.2013	8.85%	8.85%	Principal repayable at the end of 5 years or on the exercise of put/call option either in whole or in part at the end of 3 years from 18.02.2013 being date of allotment. Interest payable annually on 18th Feb at the rate of 8.85% p.a.Call option exercised and redeemed on 18.02.2016.	First Charge on specific Plant & Machinery alongwith the underlying land together with all the building and structures standing on the said land to the extent of ₹100000 Lakhs.
B	Secured Redeemable Non Convertible Debentures (Series-II)	10.01.2014	9.65%	9.65%	Principal repayable at the end of 5 years from 10.01.2014 being date of allotment. Interest payable annually on 10th Jan at the rate of 9.65% p.a.	First Charge on specific Plant & Machinery along with the underlying land together with all the building and structures standing on the said land to the extent of ₹ 100000 Lakhs.

Unsecured Loans:

C. Non Convertible Cumulative Redeemable Preference Shares

Preference Share is treated as financial liability as per Ind AS 32, as these are redeemable on maturity for a fixed determinable amount and carry fixed rate of dividend.

(i) Rights, preferences and restrictions attached to Preference shares:

The Company has one class of preference shares i.e. Non-Convertible Cumulative Redeemable Preference Shares (NCCRP Shares) of ₹ 10 per share.

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

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

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

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

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

(ii) Preference Shares held by Holding Company

(₹ in Lakhs)

	31-Mar-17	31-Mar-16	01-Apr-15
1,00,00,00,000 Non-Convertible Cumulative Redeemable Preference Shares of ₹10/- each (100%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.	100000	100000	-

(iii) Details of Preference shareholders holding more than 5% shares

Name of Preference Shareholder	31-Mar-17		31-Mar-16		01-Apr-15	
	Number of Preference shares held	Percentage of Holding	Number of Preference shares held	Percentage of Holding	Number of Preference shares held	Percentage of Holding
Indian Oil Corporation Limited	1000000000	100	1000000000	100	-	-

(iv) Pending the approval of shareholders, 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.

D. Foreign Currency Loan

Loan Repayment Schedule for Foreign Currency Loan (Unsecured)-Term Loans

Sl. No	Particulars	Date of Redemption	Repayable Amount	Interest Rate
1	Term Loan from SBI	18.09.2019	US $ 50 Million	3 months LIBOR + 125 bps (Interest reset on quarterly basis) - Interest payable on monthly basis

E. Finance Lease Obligation

The Finance Lease Obligation is against assets acquired under Finance Lease from IOT Infrastructure and Energy Services Limited. The carrying value of the same is ₹ 1646.96 Lakhs(2016: ₹ 1733.92 Lakhs; 2015: ₹1820.87 Lakhs). Refer Note - 2 & 33(B).

Note – 16 : OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Sl. No	Particulars	Note	Non - Current			Current Maturities		
			31-Mar-17	31-Mar-16	01-Apr-15	**31-Mar-17**	31-Mar-16	01-Apr-15
1	Current maturities of long-term debt (Refer Note 15)		-	-	-	-	-	100000.00
2	Current maturities of finance lease obligations		-	-	-	**334.25**	302.15	279.63
3	Interest accrued but not due on loans (including Preference Shares)	A	-	-	-	**10210.49**	6328.70	3243.75
4	Liability for Capital Expenditure		-	-	-	**18449.32**	15020.14	8707.39
5	Liability to Trusts and Other Funds		-	-	-	**543.31**	3671.86	1298.18
6	Employee Liabilities for Expenses		-	-	-	**7990.49**	4115.68	3558.78
7	Derivative instruments at fair value through profit or loss		-	-	-	-	346.51	-
8	Security Deposits		-	-	-	**3722.54**	2893.84	2227.47
9	Liability for Dividend	B	-	-	-	**1148.83**	3388.87	3501.59
10	Other Financial Liabilites		-	-	-	**909.47**	234.91	1532.87
	TOTAL		**-**	**-**	**-**	**43308.70**	**36302.66**	**124349.66**

A Pending the approval of shareholders, 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.

B There are no amounts due for payment to the Investor Education and Protection Fund as at the year end. Balance as at 31st March 2017 includes ₹ 917.32 Lakhs (2016: ₹ 3210.61 Lakhs; 2015 : ₹3210.61 Lakhs) of unpaid dividend to Naftiran Inter trade company Limited (NICO) for the financial year ending 2016 which could not be remitted due to restrictions in banking channels arising out of sanctions imposed by US / European Union against Iran

Note – 17 : PROVISIONS

(₹ in Lakhs)

Sl. No	Particulars	Note	Non - Current			Current		
			31-Mar-17	31-Mar-16	01-Apr-15	**31-Mar-17**	31-Mar-16	01-Apr-15
1	Provision for Employee Benefits		**13314.97**	5097.68	4561.45	**12553.06**	7402.29	9321.54
2	Contingencies for probable obligations	**A**	-	-	-	**1105.61**	-	-
	TOTAL		**13314.97**	5097.68	4561.45	**13658.67**	7402.29	9321.54

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

	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year	Closing Balance
Sales Tax	-	1105.61	-	-	1105.61
TOTAL	-	**1105.61**	-	-	**1105.61**
Previous Year	-	-	-	-	-

Note – 18 : OTHER LIABILITIES

(₹ in Lakhs)

Sl. No	Particulars		Non - Current			Current		
			31-Mar-17	31-Mar-16	01-Apr-15	**31-Mar-17**	31-Mar-16	01-Apr-15
1	**Revenue Grants - EPCG**							
	As per last Account	3087.23		646.96	646.96	-	-	-
	Add: Received during the year	1173.14		2448.00	-	-	-	-
	Less: Amortised during the year	(222.76)		(7.73)	-	-	-	-
	Liability towards Government Grants		**4037.61**	3087.23	646.96	-	-	-
2	Statutory Liabilities		-	-	-	**24201.57**	40569.33	28646.71
3	Advances from Customers		-	-	-	**1264.11**	1318.52	1805.82
	TOTAL		**4037.61**	3087.23	646.96	**25465.68**	41887.85	30452.53

Note – 19 : SHORT-TERM BORROWINGS

(₹ in Lakhs)

Sl. No	Particulars	Note		31-Mar-17	31-Mar-16	01-Apr-15
I.	**SECURED LOANS**					
1	**Loans Repayable on Demand**					
	From Banks:					
	a) In Rupees	**A**				
	i) Working Capital Demand Loan		-		-	75500.00
	Sub-Total		-		-	75500.00
	ii) Cash Credit - SBI		444.32		103.68	451.04
	Sub-Total		444.32		103.68	451.04
	b) In Foreign Currency					
	i) Foreign Currency Loans (Buyers' Credit) (2017: **NIL**; 2016: **NIL**; 2015: US $ 117million)		-		-	73130.85
	Sub-Total		-		-	73130.85
	Total (Loans from Banks)			**444.32**	103.68	149081.89
	Total Secured Loans			**444.32**	103.68	149081.89
II.	**UNSECURED LOANS**					
1	**Loans Repayable on Demand**					
	i) From Banks/Financial Institutions:					
	In Foreign Currency					
	Packing credit foreign currency loan (2017: **NIL**; 2016: US $ 96 million; 2015: US $ 111 million)		-		63609.60	69380.55
	Buyers' Credit (2017: **NIL**; 2016: US $ 35 million; 2015: US $ 98 million)		-		23191.00	61254.90
	Sub-Total		-		86800.60	130635.45
	In Rupees					
	i) Working Capital Demand Loan		4400.00			
	ii) Book Overdraft		-		143.97	188.60
	Sub-Total		4400.00		143.97	188.60
	ii) From Others					
	Commercial Paper		312500.00		70000.00	60000.00
	Total			**316900.00**	156944.57	190824.05
2	**Other Loans**			-	99000.00	-
	Total Unsecured Loans			**316900.00**	255944.57	190824.05
	TOTAL BORROWINGS - CURRENT			**317344.32**	256048.25	339905.94

Notes:

A Secured against hypothecation of Trade receivables & Inventories to the extent of ₹418400 Lakhs with State Bank of India. (2016: ₹ 418400 Lakhs; 2015: ₹ 418400 Lakhs).

At 31 March 2017, the Company had available ₹ 416796.72 Lakhs (2016: ₹ 412791.55 Lakhs; 2015: ₹ 269318.11 Lakhs) of undrawn Credit facilities.

Note – 20 : TRADE PAYABLES

(₹ in Lakhs)

Particulars	Note	31-Mar-17	31-Mar-16	01-Apr-15
Sundry Creditors:				
Dues to Micro and Small Enterprises	A	**8.81**	69.58	7.80
Dues to Related Parties	B	**114989.83**	175947.56	198183.32
Dues to Others		**49387.00**	70846.90	123451.81
TOTAL		**164385.64**	246864.04	321642.93

A With regard to disclosure requirements under the provisions of section 22 of Micro, Small and Medium Enterprises Development Act, 2006, the company has carried out the same based on the confirmation received from its suppliers.

No interest amount remains unpaid to such Micro and Small enterprises as on 31 March 2017 and no payments were made to such enterprises beyond the "appointed day" during the year. Also, the company has not paid any interest in terms of section 16 of the above mentioned act or otherwise.

B Represents dues to Indian Oil Corporation Ltd., the holding company ₹ 114882.02 Lakhs (2016: ₹175764.32 Lakhs; 2015: ₹198087.31 Lakhs) and IOT Infrastructure and Energy Services Limited ₹ 107.81 Lakhs (2016: ₹183.24 Lakhs; 2015: ₹96.01 Lakhs)

Note – 21 : REVENUE FROM OPERATIONS

(₹ in Lakhs)

Sl. No.	Particulars	Note		31-Mar-17	31-Mar-16
1	Sales (Net of Discounts)	A	4058590.03		3495341.38
2	Other Operating Revenues (Note "21.1")		2161.51		1717.48
				4060751.54	3497058.86
	TOTAL			**4060751.54**	3497058.86

A In line with the scheme formulated by the Petroleum Planning and Analysis Cell (PPAC) under the Ministry of Petroleum and Natural Gas, the company has received an aggregate discount of ₹ Nil (2016: ₹ 17322.40 Lakhs) from Oil and Natural Gas Corporation Limited on Crude Oil purchase and has passed on the same as discounts on products sold to Indian Oil Corporation Limited, the holding company.

Note – 21.1 : OTHER OPERATING REVENUES

(₹ in Lakhs)

Sl. No.	Particulars	31-Mar-17	31-Mar-16
1	Sale of Power	**151.06**	138.21
2	Unclaimed / Unspent liabilities written back	**415.19**	382.68
3	Recoveries from Employees	**384.80**	404.20
4	Sale of Scrap	**987.70**	784.66
5	Amortisation of Government Grants	**222.76**	7.73
	TOTAL	**2161.51**	1717.48

Note – 22 : OTHER INCOME

(₹ in Lakhs)

Sl. No.	Particulars	Note		31-Mar-17	31-Mar-16
1	Interest on :	(i)			
	a) Loans and Advances		804.72		503.79
	b) Short Term Deposits with Banks		36.42		12.31
	c) Customers Outstandings		287.89		540.69
	d) Others		443.77		540.17
				1572.80	1596.96
2	Dividend from Related Parties	**A**		**591.70**	591.70
3	Profit on sale and disposal of Assets (Net)			-	467.80
4	Exchange Fluctuations (Net)			**972.10**	-
5	Other Non Operating Income	**B**		**868.37**	983.38
	TOTAL			**4004.97**	3639.84

A Represents Dividends received from Indian Additives Limited (Non-Current Investments in Joint Ventures)
B Includes Income from Petroleum India International ₹ 93.58 Lakhs (2016: ₹ 78.55 Lakhs)

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

(₹ in Lakhs)

	31-Mar-17	31-Mar-16
In relation to financial assets classified at amortised cost	**1572.80**	1596.96

Note – 23 : COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Note	31-Mar-17	31-Mar-16
Raw Material Consumed :	**A**		
Opening Balance		**154535.28**	193872.98
Add :			
Purchases		**2438971.03**	2236066.36
Sub Total		**2593506.31**	2429939.34
Less: Closing Stock		**167927.93**	154535.28
TOTAL (Net)		**2425578.38**	2275404.06

A Refer Note 21(A) - Revenue from Operations

Note – 24 : CHANGES IN INVENTORY

(₹ in Lakhs)

Particulars		31-Mar-17	31-Mar-16
Closing Stock			
a) Finished Products	99157.37		114527.05
b) Stock-in-process	32539.95		27673.08
		131697.32	142200.13
Less:			
Opening Stock			
a) Finished Products	114527.05		117131.43
b) Stock-in-process	27673.08		45925.32
		142200.13	163056.75
NET INCREASE/(DECREASE)		**(10502.81)**	(20856.62)

Note – 25 : EMPLOYEE BENEFIT EXPENSE

(₹ in Lakhs)

Particulars		31-Mar-17	31-Mar-16
Employee Benefit Expense:			
(a) Salaries, Wages, Bonus etc	31483.61		27735.15
(b) Contribution to Provident & Other Funds	10980.55		4833.54
(c) Staff Welfare Expenses	8824.20		3131.62
TOTAL (Net)		**51288.36**	35700.31

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

B Above excludes ₹1311.05 Lakhs (2016: ₹1030.39 Lakhs) included in capital work in progress (Note - 2.1)

C Includes estimated provision on best estimate basis of ₹ 11000 Lakhs (inclusive of one time impact on changes/impact on retirement benefits), towards pay revision due from 01.01.2017 pending finalisation.

Note – 26 : FINANCE COSTS

(₹ in Lakhs)

Sl. No.	Particulars	Note		31-Mar-17	31-Mar-16
1	**Interest Payments on Financial items:**	(i)			
	I. Working Capital Loans				
	a) Short term Borrowings		16599.60		15029.30
	b) Debentures		-		9440.27
				16599.60	24469.57
	II. Unwinding of Finance cost			**56.99**	82.45
	III. Interest expense for Preference Shares (including Dividend Distribution Tax) treated as financial liabilities	**A**		**8003.78**	4154.97
2	Interest Payments on Non Financial items			**578.28**	295.24
3	Other Borrowing Cost			**34.99**	26.98
4	Exchange differences regarded as adjustment to borrowing cost			**2004.57**	6143.05
	TOTAL	**B**		**27278.21**	35172.26
A	Refer Note 16 A				
B	Net of interest capitalised as part of CWIP			**10046.42**	8067.81

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

(₹ in Lakhs)

	31-Mar-17	31-Mar-16
In relation to financial liabilities measured at amortised cost	**24660.37**	28706.99

Note – 27 : OTHER EXPENSES

(₹ in Lakhs)

Sl. No	Particulars		31-Mar-17	31-Mar-16
1	Consumption:			
	a) Stores, Spares and Consumables	6298.39		6087.98
	b) Packages & Drum Sheets	102.23		106.64
			6400.62	6194.62
2	Power & Fuel	201973.09		194281.58
	Less : Fuel from own production	196966.25		189543.16
			5006.84	4738.42
3	Irrecoverable taxes - Central Sales Tax		**16903.83**	12984.70
4	Repairs and Maintenance			
	i) Plant & Machinery	16090.13		16507.35
	ii) Buildings	364.72		287.95
	iii) Others	3923.23		3364.09
			20378.08	20159.39
5	Freight, Transportation Charges and Demurrage		**6401.22**	10755.79
6	Office Administration, Selling and Other Expenses (Note "27.1")		**17199.06**	33826.98
	TOTAL		**72289.65**	88659.90
	Less: Company's use of own products		**282.69**	76.32
	TOTAL (Net)		**72006.96**	88583.58

Note – 27.1 : OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES (₹ in Lakhs)

Sl. No	Particulars	Note	31-Mar-17	31-Mar-16
1	Rent		**2063.92**	2521.47
2	Insurance		**1512.34**	2203.90
3	Rates & Taxes		**179.89**	129.60
4	Payment to auditors as:			
	a) For Statutory Audit	16.03		13.00
	b) For Limited Review	8.08		4.50
	c) For Taxation Matters	5.04		3.50
	d) Other Services(for issuing other certificates etc.)	1.40		1.40
			30.55	22.40
5	Travelling & Conveyance		**2243.48**	2319.00
6	Communication Expenses		**190.21**	207.03
7	Printing & Stationery		**107.51**	90.06
8	Electricity & Water		**78.03**	102.42
9	Bank Charges		**106.55**	115.93
10	Bad Debts, Advances & Claims written off		**-**	178.99
11	Provision/Loss on Assets sold or written off (Net)		**351.13**	-
12	Technical Assistance Fees		**665.39**	441.22
13	Exchange Fluctuation (net)		**-**	17850.05
14	Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores		**1541.30**	1258.75
15	Security Force Expenses		**2487.86**	2194.69
16	Terminalling Charges		**2136.63**	2103.83
17	Provision for Probable Contingencies		**1105.61**	-
18	Expenses on Sustainable Development Initiatives/ CSR Activities		**187.51**	133.02
19	Miscellaneous Expenses	**A**	**2211.15**	1954.62
	TOTAL		**17199.06**	33826.98

A Miscellaneous Expenses Includes:

Expenditure on Public Relations and Publicity amounting to ₹372.6 Lakhs (2016 : ₹281.24 Lakhs) . The ratio of annual expenditure on Public Relations and Publicity to the annual turnover (inclusive of excise duty) is 0.00009:1 (2016: 0.00008:1).

Entertainment Expenses ₹29.43 Lakhs (2016: ₹21.22 Lakhs).

Note – 28 : OTHER COMPREHENSIVE INCOME (₹ in Lakhs)

Sl. No	Particulars	31-Mar-17	31-Mar-16
A.	**Items that will not be reclassified to profit or loss:**		
	Remeasurement of Defined Benefit Plans	**(869.24)**	(157.47)
B.	**Income Tax relating to items that will not be reclassified to profit or loss:**		
	Remeasurement of Defined Benefit Plans	**300.83**	-
	TOTAL	**(568.41)**	(157.47)

Note – 29 : DISTRIBUTIONS MADE AND PROPOSED (₹ in Lakhs)

Particulars	31-Mar-17	31-Mar-16
Cash dividends on Equity shares declared and paid:		
Final dividend for year ended 31st March 2016:		
₹4 per share; (31st March 2015: NIL)	**5956.46**	-
DDT on dividend paid	**1212.60**	-
	7169.06	-
Proposed dividends on Equity shares:		
Final dividend for year ended 31st March 2017:		
₹ 21 per share (31st March 2016: ₹4 per share)	**31271.39**	5956.46
DDT on proposed dividend	**6366.12**	1212.60
	37637.51	7169.06

Proposed dividend on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability (including DDT thereon) as at 31st March 2017

Refer Note 16 A for Preference dividend

Note – 30 : EARNINGS PER SHARE (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31-Mar-17	31-Mar-16
Profit attributable to equity holders (₹ lakhs)	**102975.18**	74186.76
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	**148911400**	148911400
Earning Per Share (Basic and Diluted) (₹)	**69.15**	49.82
Face value per share (₹)	**10**	10

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

(₹ in Lakhs)

Name of entity	Place of business	% of ownership	Relationship	Carrying Amount
Indian Additives Limited	India	50%	Joint Venture	1183.40
National Aromatics and Petrochemical Corporation Limited	India	50%	Joint Venture	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 ₹2286.41 Lakhs (2016: ₹2108.82 Lakhs) towards Defined Contributory Employees Pension Scheme in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident & Other Funds in Note - 25/ Construction period expenses in Note-2.1)

B. Defined Benefit Plans- General Description

1. **Provident Fund:**
The Company's contribution to the Provident Fund is remitted to separate provident fund trust established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company. The Provident Funds maintained by the PF Trust in respect of which actuarial valuation is carried out does not have any deficit as on 31st March 2017.
During the year, the company has recognised ₹ 234.04 lakhs (2016: ₹ 227.88 lakhs) as contribution to EPS-95 in the Statment of Profit and Loss / CWIP (included in Contribution to Provident and Other Funds in Note - 25/ Construction period expenses in Note-2.1)

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 ₹ 10 lakhs at the time of separation from the company.

3. **Post Retirement Medical Scheme (PRMS):**
PRMS provides medical benefit to retired employees and eligible dependant family members.

C. Other Long-Term Employee Benefits - General Description

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

2. **Long Service Award:**
On completion of specified period of service with the company and also at the time of retirement, employees are rewarded with Prepaid Card as per eligibility, based on the duration of service completed.

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

Figures presented in italics relate to the previous year.

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

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Defined Obligation at the beginning	**37,257.61** *32,497.10*	**7,515.11** *7,334.89*	***5,036.99*** *4,339.70*
Current Service Cost	**1,706.50** *1,607.93*	**66.50** *52.40*	**97.28** *83.94*
Interest Cost	**3,261.32** *2,929.12*	**600.46** *579.46*	***397.92*** *329.15*
Benefits paid	**(3,147.65)** *(2,269.46)*	**(413.33)** *(355.01)*	***(246.22)*** *(239.76)*
Employee Contribution	**2,676.27** *2,491.35*	- -	- -
Transferred from other company	**22.92** *1.57*	- -	- -
Actuarial (gain)/ loss on obligations	- -	**228.78** *(96.63)*	***680.43*** *523.96*
Defined Benefit Obligation at the end of the year	**41,776.98** *37,257.61*	**7,997.52** *7,515.11*	***5,966.40*** *5,036.99*

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

(₹ in Lakhs)

	Provident Fund	Gratuity
	Funded	Funded
Fair Value of Plan Assets at the beginning of the year	**37,958.29** *33,058.17*	***7,777.52*** *6,509.68*
Expected return on plan assets	**3,261.32** *2,929.12*	***39.97*** *269.86*
Contribution by employer	**4,382.77** *4,099.29*	 *836.55*
Contribution by employees	- -	- -
Benefit paid	**(3,147.65)** *(2,269.46)*	***(411.61)*** *(352.83)*
Transferred from other company	**22.92** *1.57*	- -
Interest Income	- -	***621.42*** *514.26*
Actuarial gain / (losses)	**308.54** *139.61*	- -
Fair value of plan assets at the end of the year	**42,786.20** *37,958.29*	***8,027.30*** *7,777.52*

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

(₹ in Lakhs)

	Provident Fund	Gratuity
	Funded	Funded
Fair Value of Plan Assets at the end of the year	**42,786.20**	***8,027.30***
	37,958.29	*7,777.52*
Defined Benefit Obligation at the end of the year	**41,776.98**	***7,997.52***
	37,257.61	*7,515.11*
Amount recognised in the Balance Sheet	**-**	***(29.78)***
	-	*(262.41)*
Amount not recognised in the Balance Sheet	**(1,009.22)**	**-**
	(700.67)	*-*

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

(₹ in Lakhs)

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Current Service Cost	**1,706.50**	**66.50**	***97.28***
	1,607.93	*52.40*	*83.94*
Interest Cost	**3,261.32**	**600.46**	***397.92***
	2,929.12	*579.46*	*329.15*
Expected (return) / loss on plan asset	**(3,261.32)**	**(621.42)**	**-**
	(2,929.12)	*(269.86)*	*-*
Contribution by Employees	**-**	**-**	**-**
	-	*-*	*-*
Expenses for the year	**1,706.50**	**45.54**	***495.20***
	1,607.93	*362.00*	*413.09*

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

(₹ in Lakhs)

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Actuarial (gain)/ loss on Obligations	**-**	**228.78**	**680.43**
	-	*(96.63)*	*523.96*
Actuarial (gain)/ loss on Plan Assets	***308.54***	**(39.97)**	**-**
	139.61	*(269.86)*	*-*
Net Loss / (Gain) recognized in OCI	**-**	**188.81**	**680.43**
	-	*(366.49)*	*523.96*
Net Loss / (Gain) not recognized in P&L / OCI	***(308.54)***	**-**	**-**
	(139.61)	*-*	*-*

(vi) Major Actuarial Assumptions

(₹ in Lakhs)

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Discount rate	**7.26%**	**7.99%**	***7.45%***
	7.99%	*7.90%*	*7.90%*
Expected return on plan assets	**8.65%**	**-**	**-**
	8.80%	*-*	*-*
Salary escalation	**-**	**8.00%**	**-**
	-	*8.00%*	*-*
Inflation	**-**	**-**	***7.00%***
	-	*-*	*7.00%*

The estimate of future salary increases considered in actuarial valuation takes 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 Lakhs)

Loss/(Gain) for:	Gratuity	PRMS
	Funded	Non-funded
Change in Discounting Rate		
Increase by 0.5%	**(237.65)**	***(467.43)***
	(224.95)	*(251.46)*
Decrease by 0.5%	**252.55**	***532.00***
	238.54	*278.60*
Change in Salary Escalation		
Increase by 0.5%	**25.89**	**-**
	23.92	-
Decrease by 0.5%	**(27.55)**	**-**
	(27.22)	-
Change in Inflation Rate		
Increase by 0.5%	**-**	***535.65***
	-	*183.34*
Decrease by 0.5%	**-**	***(474.57)***
	-	*(167.91)*

(viii) Investment details: (₹ in Lakhs)

	Provident Fund	Gratuity
	Funded	Funded
Investment with Insurer	**-**	***100.00%***
	-	*100.00%*
Self managed investments	**100.00%**	-
	100.00%	**-**

Details of the investment pattern for the above mentioned funded obligations is as under:

	Provident Fund	Gratuity
	Funded	Funded
Government of India securities	**36.04%**	***48.19%***
	35.63%	*47.44%*
Investment in Equity Shares	**2.74%**	***8.05%***
	1.23%	*9.42%*
Investment in Debentures	**56.08%**	***38.93%***
	58.11%	*33.86%*
Other approved investments (incl. Cash)	**5.14%**	***4.83%***
	5.03%	*9.28%*

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

Cash Flow Projection from the Fund/Employer	Gratuity	PRMS	Total
	Funded	Non-Funded	
Within next 12 Months	**792.20**	**136.74**	***928.94***
	679.63	*277.41*	*957.04*
Between 2 to 5 Years	**3445.12**	**749.45**	***4,194.57***
	3096.66	*1,333.32*	*4,429.98*
Between 6 to 10 Years	**3986.94**	**1,589.97**	***5,576.91***
	4,264.09	*2,410.15*	*6,674.24*

Cash Flow Projection from the Fund/Employer	Gratuity	PRMS
	Funded	Non-Funded
Weighted Average Duration of Defined Benefit Obligation	**12 Years**	***16 Years***
	12 Years	*11.40 Years*

Note – 33 : COMMITMENTS AND CONTINGENCIES

A. Leases

Operating lease – as lessee

The company has taken certain assets (including office/residential premises/Land) on Operating Lease which are cancellable by giving appropriate notice as per the respective agreements. During the year ₹2063.92 Lakh (2016: ₹2521.47 Lakh) had been paid towards cancellable Operating Lease.

B Disclosure under Finance Lease as Lessee:

The company has entered into BOOT arrangement with IOT Infrastructure & Energy Services Limited in respect of LPG Bottling facilities for a period of 10 years. Lessor will transfer ownership to the company after 10 years at Nil Value

I Buildings taken on finance lease as lessee:

(₹ in Lakhs)

	31-Mar-17	31-Mar-16	01-Apr-15
(i) Minimum lease payments			
- Within one year	**160.75**	158.37	159.35
- After one year but not more than five years	**-**	160.75	319.12
- More than five years	**-**	-	-
Total	**160.75**	319.12	478.47
(ii) Present value of minimum lease payments			
- Within one year	**147.69**	145.50	146.40
- After one year but not more than five years	**-**	135.69	258.36
- More than five years	**-**	-	-
Total	**147.69**	281.19	404.76
Add: Future finance charges	**13.06**	37.93	73.71
Total	**160.75**	319.12	478.47

II Plant & Equipments taken on finance lease as lessee:

(₹ in Lakhs)

	31-Mar-17	31-Mar-16	01-Apr-15
(i) Minimum lease payments			
- Within one year	**203.05**	200.05	201.28
- After one year but not more than five years	**-**	203.05	403.10
- More than five years	**-**	-	-
Total	**203.05**	403.10	604.38
(ii) Present value of minimum lease payments			
- Within one year	**186.56**	183.80	184.93
- After one year but not more than five years	**-**	171.40	326.34
- More than five years	**-**	-	-
Total	**186.56**	355.20	511.27
Add: Future finance charges	**16.49**	47.90	93.11
Total	**203.05**	403.10	604.38
The Net Carrying amount of the assets acquired under Finance Lease included in Note – 2.			
Buildings and Plant & Equipment	**1646.96**	1733.92	1820.87
	1646.96	1733.92	1820.87

C Contingent Liabilities

Contingent Liabilities amounting to ₹65184.02 Lakhs (2016: ₹63045.40 Lakhs; 2015: ₹38669.59 Lakhs) are as under:

(i) ₹539.66 Lakhs (2016: ₹514.28 Lakhs; 2015: ₹619.54 Lakhs) being the demands raised by the Central Excise /Customs/ Service Tax Authorities including interest of ₹189.74 Lakhs (2016: ₹182.76 Lakhs; 2015: ₹257.02 Lakhs).

(ii) ₹50592.22 Lakhs (2016: ₹48632.59 Lakhs; 2015: ₹27028.27 Lakhs) being the demands raised by the VAT/ Sales Tax Authorities and includes no interest (2016: Nil, 2015: Nil).

(iii) ₹10002.51 Lakhs (2016: ₹9414.81 Lakhs; 2015: ₹7075.98 Lakhs) in respect of Income Tax demands including interest of ₹2582.58 Lakhs (2016: ₹1994.87 Lakhs; 2015: ₹795.08 Lakhs).

(iv) ₹4049.63 Lakhs (2016: ₹4483.72 Lakhs; 2015: ₹3945.80 Lakhs) including ₹2241.64 Lakhs (2016: ₹2219.59 Lakhs; 2015: ₹1713.94 Lakhs) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹827.75 Lakhs (2016: ₹784.43 Lakhs; 2015: ₹692.78 Lakhs).

The Company has not considered those disputed demands/claims as contingent liabilities, for which, the outflow of resources has been considered as remote.

D Commitments

(i) Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account not provided for ₹82208.01 Lakhs (2016: ₹154579.73 Lakhs; 2015: ₹249455.02 Lakhs).

(ii) Other Commitments

The Company has an export obligation to the extent of ₹59057.65 Lakhs (2016: ₹45190.62 Lakhs; 2015: ₹12881.18 Lakhs) on account of concessional rate of customs duty availed under EPCG license scheme on import of capital goods.

Note - 34 "Related Party Disclosures" in compliance with Ind-AS 24, are given below:

1. Relationship with Entities

A. Details of Holding Company

i) Indian Oil Corporation Limited (IOCL)

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

Particulars	31-Mar-2017	31-Mar-2016
• Sale of Product and Services	**3682449.28**	3135472.14
• Dividend on Preference Shares	**6650.00**	3452.19
• Dividend on Equity Shares	**3085.62**	-
• EDP Maintenance	**253.53**	423.90
• Other Non operating Income	**106.31**	1881.47
• Purchase of Raw Material	**49668.26**	16405.22
• Purchase of Finished Products	**15957.40**	29268.06
• Purchase of Stores & Spares	**397.11**	372.84
• Canalising commission	**250.00**	250.00
• Freight, Transportation and Demurrage	**1036.51**	1361.89
• Rental Expenditure	**350.31**	398.16
• Creation of capital facilities by IOCL	**568.02**	184.17
• Creation of capital facilities to IOCL	**800.00**	400.00
• Sale of Fixed Asset	-	779.86
• Issue of Preference Shares	-	100000.00
• Outstanding Receivables	**89385.37**	61487.79
• Outstanding payables	**214882.02**	275764.32

B. Details of Joint Ventures

i) Indian Additives Limited

(₹ in Lakhs)

Particulars	31-Mar-2017	31-Mar-2016
• Investment	**1183.40**	1183.40
• Sale of Product	**4348.82**	4506.45
• Rental income	**47.91**	46.51
• Dividend received	**591.70**	591.70
• Outstanding Receivables	**393.85**	485.25

ii) National Aromatics & Petrochemicals Corporation Limited

(₹ in Lakhs)

Particulars	31-Mar-2017	31-Mar-2016
• Investments in Joint Venture Entities / Associates*	**2.50**	2.50

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

C. Entities over which KMP has significant influence

i) CPCL Educational Trust

(₹ in Lakhs)

Particulars	31-Mar-2017	31-Mar-2016
• CSR Expenses	**42.50**	-
• Repayment of Loan by Trust	**25.00**	-
• Interest	**2.14**	2.51
• Outstanding Receivables	-	29.79

D. Associates of Holding Company

i) IOT Infrastructure & Energy Services Limited

(₹ in Lakhs)

Particulars	31-Mar-2017	31-Mar-2016
• Terminalling/Bottling Charges	**2969.01**	2669.47
• Outstanding payable	**107.81**	183.24

E.Jointly controlled operations

i) Petroleum India International

(₹ in Lakhs)

Particulars	31-Mar-2017	31-Mar-2016
• Surplus/Share of Profit	**93.58**	78.55
• Outstanding Receivables	**141.83**	228.65

F. Other Government related entities where significant transactions were carried out

i) Details of Entities

1) Oil & Natural Gas Corporation Limited
2) Madras Fertilizers Limited
3) GAIL (India) Limited
4) Bharat Petroleum Corporation Limited
5) Hindustan Petroleum Corporation Limited
6) Shipping Corporation of India Limited
7) Engineers India Limited
8) Bharat Heavy Electricals Limited
9) Bridge & Roof Co. (India) Ltd

ii) The following transactions were carried out with Government related entities in the ordinary course of business:

(₹ in Lakhs)

	31-Mar-2017	31-Mar-2016
• Sale of Product and Services	**303912.70**	281345.62
• Purchase of Product	**34466.48**	32770.69
• Purchase of Raw Materials	**410471.50**	534308.73
• Trade Receivables	**13336.75**	13094.52
• Trade payables	**42399.36**	62773.06

2) Key Managerial Personnel

A. Whole Time Directors / Company Secretary

1) Shri B.Ashok
2) Shri Sanjiv Singh
3) Shri Gautam Roy
4) Shri S.Venkataramana
5) Shri U.Venkataramana
6) Shri S.Krishna Prasad
7) Shri Yasin Rezazadeh (Upto 23.01.2017)
8) Shri Ali Zamani (Upto 23.02.2017)
9) Shri Mohammad Bagher Dakhili (w.e.f 23.01.2017)
10) Shri Farzad Bahrami (w.e.f 23.02.2017)
11) Shri P.Shankar

B. Independent / Government Nominee Directors

1) Shri K.M.Mahesh
2) Shri Mrutunjay Sahoo (w.e.f 23.02.2017)
3) Dr. P.B.Lohiya (w.e.f 23.02.2017)
4) Shri G.Ramaswamy (Upto 08.10.2016)

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

For the Year ended 31-Mar-2017

(₹ in Lakhs)

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Other Income	Outstanding loans/ advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri Gautam Roy	40.90	6.58	-	-	47.48	-	-
2) Shri S.Venkataramana	31.49	10.37	-	-	41.86	-	-
3) Shri U.Venkataramana	31.66	6.12	-	-	37.78	-	3.45
4) Shri S.Krishna Prasad	40.13	6.11	-	-	46.24	-	-
5) Shri P.Shankar	31.95	8.92	-	-	40.87	-	5.25
B. Independent / Government Nominee Directors#							
1) Shri Mrutunjay Sahoo	0.20	-	-	-	0.20	-	-
2) Dr. P.B.Lohiya	0.20	-	-	-	0.20	-	-
3) Shri G.Ramaswamy	2.00	-	-	-	2.00	-	-
TOTAL	**178.53**	**38.10**	**-**	**-**	**216.63**	**-**	**8.70**

#Sitting fees paid to Independent Directors

For the Year ended 31-Mar-2016

(₹ in Lakhs)

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Other Income	Outstanding loans/ advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri Gautam Roy	18.78	5.24	-	-	24.02	-	-
2) Shri S.Venkataramana	24.23	4.45	-	-	28.68	-	4.50
3) Shri U.Venkataramana	28.63	4.87	-	-	33.50	-	-
4) Shri S.Krishna Prasad	20.68	5.00	-	-	25.69	-	-
5) Shri P.Shankar	18.23	3.91	-	-	22.13	-	5.82
B. Independent / Government Nominee Directors*							
1) Shri .G.Ramaswamy	3.80	-	-	-	3.80	-	-
TOTAL	**114.35**	**23.46**	**-**	**-**	**137.82**	**-**	**10.32**

*Sitting fees paid to Independent Directors

3) Trusts

Transactions with Post Employment Benefit Plans managed through separate trust

(₹ in Lakhs)

SL. No	Name of the Trust	Post Employment Benefit Plan	31-Mar-2017		31-Mar-2016	
			Net	Outstanding Payable	Net	Outstanding Payable
A	CPCL Employees Provident Fund	Provident Fund	1709.00	143.00	1618.00	142.00
B	CPCL Employees Superannuation Benefit Fund	Pension Scheme	2286.00	196.00	1516.00	132.00
C	CPCL Employees Group Gratuity Trust	Gratuity	-	-	837.00	-

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 Lakhs)

Particulars	Carrying value			Fair value			
	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015	**As at 31-Mar-2017**	As at 31-Mar-2016	As at 01-Apr-2015	**Fair value measurement hierarchy level**
Financial Assets							
Amortised Cost:							
Loans to employees	**4849.47**	5190.17	4374.10	**4525.47**	5110.19	4157.92	Level 2
Total	**4849.47**	5190.17	4374.10	**4525.47**	5110.19	4157.92	
Financial liabilities							
A. Borrowings:							
Amortised Cost:							
Non-Convertible Redeemable Bonds	**100000.00**	100000.00	200000.00	**104157.56**	103757.77	203779.36	Level 2
Finance lease obligation	**334.25**	636.40	916.03	**334.25**	636.40	916.03	Level 2
Preference Shares	**100000.00**	100000.00	-	**107325.00**	103188.00	-	Level 2
Term Loans from Banks - In Foreign Currency Loans	**32427.50**	86800.60	203766.30	**32427.50**	86800.60	203766.30	Level 2
Loans from financial Institutions	**317344.32**	169247.65	36139.64	**317344.32**	169247.65	36139.64	Level 2
B. Others							
Fair Value							
Derivative instruments at fair value through profit or loss	-	346.51	-	-	346.51	-	Level 2
Total	**550106.07**	457031.16	440821.97	**561588.63**	463976.93	444601.33	

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 Borrowing, Trade Payables, Floating Rate Loans and Other Non-derivative Current Financial Liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

3. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Methods and assumptions

The following methods and assumptions were used to estimate the fair values at the reporting date:

Level 2 Hierarchy:

(i) Derivative instruments at fair value through profit or loss viz. Foreign exchange forward contracts: Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs are considered .

(ii) Loans to employees, Loan to related parties, Security deposits paid and Security deposits received: Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities

(iii) Finance lease obligation: For obligation arrived based on IRR, implicit rate applicable on the reporting date and for obligation arrived based on incremental borrowing rate, applicable rate for remaining maturity.

(iv) Term Loans from Banks - In Foreign Currency: Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities (Excluding floating rate borrowings)

(v) Non Convertible Redeemable Preference shares : The fair value of Preference shares is estimated by discounting future cash flows.

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, employee liabilities and finance lease obligation. 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.

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 2015-16 was reviewed by the Audit Committee and Board at the Meeting held on 22.05.2016 and 23.05.2016 respectively and the Report for the year 2016-17 has been reviewed by the Audit Committee and Board at the Meeting held on 15.05.2017.

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

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, FVTOCI investments and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31st March 2017 and 31st March 2016.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions, and other non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March 2017 and 31st March 2016 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 2017.

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 31st March 2017, approximately 93% of the Company's borrowings are at a fixed rate of interest (31st March 2016: 100%, 1st April 2015: 100%).

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 Lakhs)**	Increase / Decrease in basis points	Effect on profit before tax (₹ in Lakhs)
	31-Mar-17		31-Mar-16	
INR	**+50**	**-**	+50	-
US Dollar	**+50**	**(162.14)**	+50	-
INR	**-50**	**-**	-50	-
US Dollar	**-50**	**162.14**	-50	-

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

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 Company has outstanding forward contract of ₹ NIL Lakhs as at 31st March 2017 (31st March 2016: ₹ 44328.29 Lakhs, 1st April 2015: ₹ Nil Lakhs) which has been undertaken to hedge its exposure to borrowings and other financial liabilities.

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 Lakhs)**	Increase / Decrease in %	Effect on profit before tax (₹ in Lakhs)
	31-Mar-17		31-Mar-16	
INR	**+5%**	**(7242.90)**	+5%	(11490.16)
US Dollar	**-5%**	**7242.90**	-5%	11490.16

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.

Credit risk

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.

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.

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 Lakhs)

Year ended	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
31-Mar-17						
Borrowings	-	317344.32	-	232427.50	-	549771.82
Trade payables	33295.97	131089.67	-	-	-	164385.64
Other financial liabilities	43243.14	26.79	38.76	-	-	43308.70
	76539.11	**448460.78**	**38.76**	**232427.50**	**-**	**757466.16**
Year ended 31-Mar-16						
Borrowings	-	256048.25	-	200334.25	-	456382.50
Trade payables	33276.09	213587.95	-	-	-	246864.04
Other financial liabilities	36206.39	16.35	79.92	-	-	36302.66
	69482.48	**469652.55**	**79.92**	**200334.25**	**-**	**739549.20**
As at 1 April 2015						
Borrowings	-	239626.31	100279.63	100636.39	-	440542.33
Trade payables	134593.99	187048.94	-	-	-	321642.93
Other financial liabilities	124261.18	5.53	82.96	-	-	124349.66
	258855.16	**426680.78**	**100362.59**	**100636.39**	**-**	**886534.92**

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.

Collateral

As the Company has been rated investment grade by various rating agencies, there has been no requirement of submitting any collateral for booking of derivative contracts. The Company undertakes derivatives contract only with those counterparties that have credit rating above the internally approved threshold rating. Accordingly, the Company does not seek any collaterals from its counterparties.

Note – 37 : CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company monitors capital using debt equity ratio, which is borrowings divided by Equity. The Company's strategy is to keep the debt equity ratio in the range of 2:1 and 1:1. The Company also includes accrued interest in the borrowings for the purpose of capital management.

(₹ in Lakhs)

Particulars	**31-Mar-17**	31-Mar-16	01-Apr-15
Borrowings	549771.82	456382.50	440542.33
Accrued Interest thereon	10210.49	6328.70	3243.75
Total Borrowings	**559982.31**	462711.20	443786.08
Equity Share Capital	14900.46	14900.46	14900.46
Reserves and Surplus	316480.41	221242.70	147213.41
Equity	**331380.87**	236143.15	162113.87
Debt Equity Ratio	**1.69 : 1**	1.96 : 1	2.74 : 1

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2017 and 31st March 2016.

Note – 38 : RESEARCH AND DEVELOPMENT COSTS

Research and Development Expenses of ₹ 60.28 Lakhs (2016: ₹ 28.69 Lakhs) have been capitalized and ₹ 628.50 Lakhs (2016 ₹ 668.64 Lakhs) have been accounted for in the Statement of Profit and Loss during the year. Detailed break up of total expenditure is as under:

A. CAPITAL EXPENSES (FIXED ASSETS)

(₹ in Lakhs)

Asset Block	Gross Block as at 1 Apr 2016	Additions during the year	Transferred from CWIP	"Transfer/ Deduction/ Disposal during the year"	Gross Block as at 31 Mar 2017	Work-in-Progress as at 1 Apr 2016	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31 Mar 2017	Total Capital Expenditure
1	2	3	4	5	6 = (2+3+4-5)	7	8	9	10 = (7+8-9)	11=(3+4+10-7)
Fixed Assets										
Plant & Equipment	1308.92	60.28	-	(128.66)	**1240.54**	-	-	-	-	**60.28**
Office Equipment	11.97	-	-	-	**11.97**	-	-	-	-	-
Furniture & Fixtures	1.56	-	-	-	**1.56**	-	-	-	-	-
Total	**1322.45**	**60.28**	**-**	**(128.66)**	**1254.07**	**-**	**-**	**-**	**-**	**60.28**

(₹ in Lakhs)

Asset Block	Gross Block as at 1 Apr 2015	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at 31 Mar 2016	Work-in-Progress as at 1 Apr 2015	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31 Mar 2016	Total Capital Expenditure
1	2	3	4	5	6 = (2+3+4-5)	7	8	9	10 = (7+8-9)	11=(3+4+10-7)
Fixed Assets										
Plant & Equipment	1282.97	25.95	-	-	1308.92	-	-	-	-	25.95
Office Equipment	9.23	2.74	-	-	11.97	-	-	-	-	2.74
Furniture & Fixtures	1.56	-	-	-	1.56	-	-	-	-	-
Total	**1293.76**	**28.69**	**-**	**-**	**1322.45**	**-**	**-**	**-**	**-**	**28.69**

B. RECURRING EXPENSES (₹ in Lakhs)

Sl.	No Particulars	31-Mar-17	31-Mar-16
1	Consumption of Stores, Spares & Consumables	**34.59**	54.35
2	Repairs & Maintenance (a) Plant & Machinery	**21.21**	13.35
3	Payment to and Provisions for employees	**348.49**	329.50
4	Depreciation and Other Expenses	**224.21**	271.44
	Total	**628.50**	668.64

C. TOTAL RESEARCH EXPENSES (₹ in Lakhs)

Particulars	31-Mar-17	31-Mar-16
Capital Expenditure	**60.28**	28.69
Recurring Expenditure	**628.50**	668.64
Total	**688.78**	697.33

Note – 39 : DISCLOSURES ON GOVERNMENT GRANTS

Revenue Grant

1 Nature of grant — Export Promotion Capital Goods (EPCG) scheme allows import of capital goods including spares at zero duty subject to fulfillment of an export obligation

			(₹ in Lakhs)
2 Amount of grant	**31-Mar-17**	31-Mar-16	01-Apr-15
As per last Account	**3087.23**	646.96	646.96
Add: Received during the year	**1173.14**	2448.00	-
Less: Amortised during the year	**(222.76)**	(7.73)	-
	4037.61	3087.23	646.96

			(₹ in Lakhs)
	31-Mar-17	31-Mar-16	01-Apr-15
3 Unfulfilled conditions and other contingencies attaching to government assistance	**59057.65**	45190.62	12881.18

Note 40 : EVENTS AFTER REPORTING PERIOD

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.

STANDALONE FINANCIAL STATEMENTS
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 Derivative contracts entered into by the Company and outstanding as on the reporting date are as below:
   (a) **For Hedging Currency Risks**
   Amount of forward contracts entered into by the Company for import & export and outstanding as on 31st March 2017 is ₹ NIL(2016: ₹ 44328.29 Lakhs).

(₹ in Lakhs)

Sl. No	Particulars	Unit of Currency	As on 31-Mar-17		As on 31-Mar-16		As on 01-Apr-15	
			No of contracts	Aggregate amount	No of contracts	Aggregate amount	No of contracts	Aggregate amount
1	Forward Contracts for Import and Export	USD	-	-	4	44328.29	-	-

3. Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2017 is given below:

Sl. No	Particulars	As on 31-Mar-17	As on 31-Mar-16	As on 01-Apr-15
		Aggregate amount	Aggregate amount	Aggregate amount
1	Unhedged- Payables	**157813.91**	273528.16	411547.58
2	Unhedged- Receivables	**12955.92**	-	18614.92

Note – 42 : FIRST-TIME ADOPTION OF IND AS

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2017, together with the comparative period data as at and for the year ended 31st March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2015, the Company's date of transition to Ind AS. This note explains exemptions availed by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2015 and the financial statements as at and for the year ended 31st March 2016.

Exemptions applied:

1. Mandatory exceptions:

a) Estimates

The estimates at 1st April 2015 and at 31st March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- FVTOCI – unquoted equity shares

Impairment of financial assets are made based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April 2015, the date of transition to Ind AS and as of 31st March 2016.

2. Optional exemptions;

A. Deemed cost-Previous GAAP carrying amount: (PPE and Intangible)

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of Property, Plant and Equipment and Intangible Assets, as recognised in its Indian GAAP financial as deemed cost at the transition date.

B. Investment in Joint ventures and associates:

The Company has elected this exemption and opted to continue with the carrying value of investment in joint ventures, as recognised in its Indian GAAP financials, as deemed cost at the date of transition.

C. Designate of previously recognised financial instrument:

The Company has elected this exemption and opted to:

- Designate financial asset at FVTPL as per Ind AS 109 based on facts and circumstances as on transition date;
- Designate an investment in equity shares as FVOCI, as per Ind AS 109, based on facts and circumstances exist on transition date.

D. Classification and measurement of financial assets:

i. Financial Instruments: (Loan to employees, Security deposits received and paid) :

Financial assets like loan to employees, security deposits received and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind ASs. Since, it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind As by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset or the financial liability at the date of transition to Ind AS.

ii. Financial Instruments: (Equity shares other than investment in associates and JVs):

The Company has designated unquoted equity instruments held at 1 April 2015 as fair value through OCI investments.

E. Embedded Derivatives:

The Company has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date of reassessment.

Reconciliation of profit or loss for the year ended 31 March 2016

(₹ in Lakhs)

Particulars	Notes	2015-16
Net Profit as per previous GAAP (Indian GAAP)		**77068.35**
Add:		
Accounting for an embedded lease	1	192.68
Classification of spares as plant and equipment	2	965.05
Less:		
Re-measurement of post-employment defined benefit plans	6	157.47
Accrual of interest on mandatorily redeemable preference shares liability (inclusive of dividend distribution tax)	3	(4154.97)
Fair valuation of derivative contracts	4	(32.23)
Revenue Grant income related to EPCG benefits offset by the depreciation impact on accounting for EPCG	5	(16.17)
Others	9	6.60
Tax impact of above adjustments	7	-
Net Profit for the period as per Ind AS (A)		**74186.77**
Other Comprehensive Income (net of tax) Re-measurement of Defined Benefit Plans		(157.47)
Other Comprehensive Income for the period under Ind AS (B)		**(157.47)**
Total Comprehensive Income for the period under Ind AS C = (A+B)		**74029.30**

Reconciliation of Equity

(₹ in Lakhs)

Particulars	Notes	As at 01-Apr-15	As at 31-Mar-16
Equity as per previous GAAP (Indian GAAP)		**163923.08**	**329667.40**
Add:			
Accounting for an embedded lease	1	904.84	1097.52
Proposed dividend and dividend tax for FY 15-16 reversed and accounted in the year of shareholders' approval	8	-	11324.02
Others	9	105.51	129.93
Less:			
Mandatorily redeemable preference shares reclassified to liabilities	3	-	(100000.00)
Fair valuation of derivative contracts		-	(32.23)
Classification of spares as plant and equipment	2	(1959.75)	(994.70)
Revenue Grant income related to EPCG benefits offset by the depreciation impact on accounting for EPCG	5	-	(16.17)
Accrual of interest on mandatorily redeemable preference shares liability (inclusive of dividend distribution tax)	3	-	(4154.97)
Others	9	(859.81)	(877.63)
Tax impact of above adjustments	7	-	-
Equity as per ind AS		**162113.87**	**236143.16**

Notes to the reconciliation of equity as at 1st April 2015 and 31st March 2016 and profit or loss for the year ended 31st March 2016

1.	**Embedded leases**
	Under Indian GAAP, there is no concept of embedded leases in service contracts. Under Ind AS, such embedded leases are separately recognised as either operating lease or finance lease. Consequent to this, an embedded lease in a service arrangement has been classified as a finance lease and an adjustment representing the difference between a) depreciation and interest expense on finance lease and b) lease component subsumed in total charges has been made to Equity or Net profits, as the case may be.
2.	**Capitalisation of Stores and Spares**
	Spares, other than insurance spares were classified as inventory under existing IGAAP. However under Ind AS, spare parts are recognised in accordance with this Ind AS when they meet the definition of property, plant and equipment. Such stores and spares have been capitalised and depreciated under Ind AS retrospectively till the transition date and the impact has been adjusted through Equity. For the year ended 31st March 2016, the Company has de-recognised the consumption of spares under Ind AS and only depreciation of such spares has been recorded.
3.	**Mandatorily redeemable preference shares reclassified to liabilities**
	Under Ind AS, mandatorily redeemable preference shares are classified as financial liability and any obligation to pay dividends thereon is classified as interest expense.
4.	**Derivatives**
	Under Indian GAAP, premium/discount arising at the inception of the forward contracts are amortized as expense/income over the life of the contract. Outstanding forward contracts as at the reporting date are restated at the exchange rate prevailing on that date. Under Ind AS, the Company is required to fair value of outstanding derivatives and is also required to recognise gain or loss in relation to such derivatives. Consequent to this, derivative assets or liabilities have been recognised and corresponding as on transition date impact has been adjusted through Equity and the impact for the year ended 31st March 2016 has been adjusted in Net profit.
5.	**Government grants**
	Under Ind AS, EPCG benefit is to be treated as a government grant by setting it up as deferred income and recognising the same in income statement progressively as the grant obligations (export obligation) are fulfilled. Consequently, an adjustment has been made to Equity/Net profit.
6.	**Re-measurement of post-employment defined benefit plans**
	Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the 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 in Other comprehensive income. Due to this, for the year ended 31st March 2016, the employee benefit cost is reduced and remeasurement gains/ losses on defined benefit plans has been recognized in Other comprehensive income.
7.	**Deferred taxes**
	The various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised either in retained earnings or a separate component of equity (OCI) based on where the corresponding transaction giving rise to the temporary difference is recorded. Due to future taxable income arising on account of reversal of temporary differences , Company has restricted the recognition of Deferred Tax Asset in respect of carry forward business loss and unabsorbed depreciation to the extent of Deferred tax liability.
8.	**Proposed Dividends**
	Under Indian GAAP, proposed dividends including DDT are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid.In case of the Company, the liability relating to proposed dividend (including dividend distribution tax) has been derecognised against retained earnings as at 1st April 2016. The proposed dividend for the year ended on 31st March 2016 has been recognized under Indian GAAP, has been reduced from other payables and with a corresponding impact in the retained earnings.
9.	**Others**
	These adjustments are primarily on account of fair valuation of certain financial instruments carrying Nil/concessional rate of interest.

Note – 43 : OTHER DISCLOSURES

1 **Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:-**

(₹ in Lakhs)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	0.78	-	**0.78**
(+) Permitted receipts	-	0.18	**0.18**
(-) Permitted payments	-	0.14	**0.14**
(-) Amount deposited in Banks	0.78	0.04	**0.82**
Closing cash in hand as on 30.12.2016	**-**	**-**	**-**

2 **Details of impairment loss in respect of Cauvery Basin Refinery**

The Company has refineries at two locations viz., Manali and Nagapattinam (Cauvery Basin Refinery). Consequent to implementation of BS- IV specifications on a pan India basis w.e.f 01.04.2017 and in the absence of secondary treatment facilities, the BS – III grade of diesel production from CBR would not marketable in the local market, entailing significant coastal/export under recoveries, which has adversely impacted the profitability of CBR and hence the value in use is negative. Accordingly, in line with the requirements of Ind AS -36, difference between the carrying value of ₹ 113.19 Cr and the recoverable value of ₹ 51.40 Cr has been accounted as impairment loss during the year. This impairment loss has been recognised as part of Depreciation, Depletion and Amortisation of tangible and intangible assets in the statement of profit and loss as the carrying value of the assets is lower than the value in use/ estimated recoverable amount of this CGU.

In estimating the value in use, the approximate weighted average capital cost has been considered as the discount rate used to calculate the net present value of the estimated future cash flows, which are subject to changes in the external environment.

The fair value less cost of disposal used to determine the recoverable amounts of the impaired assets are classified as level 3 fair value measurements (as detailed in statement of significant accounting policy no.4), as the estimated recoverable amounts are not based on observable market data, rather, management's best estimates. The results of impairment test are sensitive to changes in key judgements, such as changes in commodity prices, future changes in alternate use of assets etc, which could result in increase or decrease of the recoverable amounts and result in additional impairment charges or recovery of impairment charged.

3 The pay revision for employees is due from 01.01.2017. Pending finalization of revision in pay and benefits, provision of ₹ 110 crore (inclusive of consequential impact on retirement benefits has been considered) - Refer note 25.

4 The Employees' Township at Cauvery Basin Refinery has been constructed on land area of thirty four acres and forty nine cents of land leased from a trust on five-year renewable basis.

5 Sixteen acres and twenty six cents of land of the company are under lease for a period of twelve years to IOT Infrastructure & Energy Services Limited in respect of LPG botting facilities operated on BOOT basis.

6 As part of CSR activities, CPCL sponsors polytechnic college, for which twenty acres of land of the company has been leased to CPCL Educational Trust for a period of fifty years.

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

(b) The company has valid title for all immovable properties. However, in respect of 186.86 acres of Land allotted by Government of Tamil Nadu (classified as Poramboke) Assignment deed is yet to be received. Out of this, value is to be determined by Government of Tamilnadu in respect of 135.93 acres.

(c) Pending decision of the Government/Court, additional compensation, if any, payable to the landowners and the Government for certain lands acquired, is not quantifiable, and hence not considered.

8 **Valuation of Finished Products:**

The overall gross margin percentage for all joint products is subtracted from the final net realisable value of each product to arrive at the total cost of each product which is taken as the basis for valuation of closing stock of finished products. (Refer Policy No 7.2 in Note 1 – "Statement of Significant Accounting Policies").

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

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

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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 the jointly controlled entities/ Joint operation, whose financial statements/ financial information reflect total assets of Rs. 42916.20 Lakhs and net assets of Rs. 29521.10 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 Jointly 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: 025210

For S.Viswanathan LLP
Chartered Accountants
FRN: 004770S/S200025

V.C.Krishnan
Partner
Membership No: 022167

Place: Chennai
Date:15th May 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2017

(₹ in Lakhs)

Particulars	Note	31-Mar-2017	31-Mar-2016	01-Apr-2015
I ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	2	**387783.12**	411404.15	407894.61
(b) Capital work-in-progress	2.1	**275660.74**	167308.68	78292.84
(c) Intangible assets	3	**500.32**	543.51	644.42
(d) Intangible assets under development	3.1	**596.98**	596.98	596.98
(e) Investments in Joint Ventures	4	**13989.53**	11938.00	10095.20
(f) Financial Assets				
(i) Investments	4.1	**10.90**	10.90	10.90
(ii) Loans	5	**3294.03**	3555.71	3173.41
(iii) Other Financial Assets	6	**4740.67**	4683.30	7663.75
(g) Other non-current assets	8	**9750.35**	9228.25	7653.11
		696326.64	609269.48	516025.22
(2) Current assets				
(a) Inventories	9	**320705.75**	317526.34	377096.68
(b) Financial Assets				
(i) Trade receivables	10	**103970.20**	76101.56	182875.47
(ii) Cash and cash equivalents	11	**26.25**	9.18	29.39
(iii) Other bank balances	12	**1666.73**	3876.99	3961.14
(iv) Loans	5	**2488.12**	2803.36	2188.20
(v) Other Financial Assets	6	**720.72**	2625.84	2646.84
(c) Current tax assets (Net)	7	**-**	817.70	360.04
(d) Other current assets	8	**36381.97**	30879.23	17349.26
		465959.74	434640.20	586507.02
TOTAL		**1162286.38**	1043909.68	1102532.24
II EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share capital	13	**14900.46**	14900.46	14900.46
(b) Other Equity	14	**329209.69**	231984.97	156114.38
LIABILITIES				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	**232427.50**	200334.25	100636.39
(b) Provisions	17	**13314.97**	5097.69	4561.45
(c) Deferred tax liabilities (Net)	7	**2425.41**	-	-
(d) Other non-current liabilities	18	**4037.61**	3087.23	646.96
		252205.49	208519.17	105844.80
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	19	**317344.32**	256048.25	339905.94
(ii) Trade payables	20	**164385.64**	246864.04	321642.93
(iii) Other financial liabilities	16	**43308.70**	36302.66	124349.66
(b) Other current liabilities	18	**25465.68**	41887.84	30452.53
(c) Provisions	17	**13658.67**	7402.29	9321.54
(d) Current Tax Liabilities (Net)	7	**1807.73**	-	-
		565970.74	588505.08	825672.60
TOTAL		**1162286.38**	1043909.68	1102532.24

See accompanying notes to the financial statements 1 - 45

(Gautam Roy)
Managing Director

(S.Krishna Prasad)
Director (Finance)

(P.Shankar)
Company Secretary

As per our attached Report of even date

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ in Lakhs)

	Particulars	Note	31-Mar-17	31-Mar-16
I.	**Revenue from operations**	**21**	**4060738.26**	3497043.72
II.	**Other income**	**22**	**3413.27**	3048.14
III.	**Total Income (I + II)**		**4064151.53**	3500091.86
IV.	**Expenses:**			
	Cost of materials consumed	**23**	**2425578.38**	2275404.06
	Purchase of Stock-in-Trade		**15957.40**	29267.82
	Changes in Inventories (Finished Goods and Work-In Progress)	**24**	**10554.05**	20842.93
	Excise Duty		**1291598.07**	912481.31
	Employee benefits expense	**25**	**51288.36**	35700.31
	Finance costs	**26**	**27278.21**	35172.26
	Depreciation and Amortisation expense on:			
	a) Tangible Assets		**27817.53**	27259.19
	b) Intangible Assets		**45.54**	110.01
	Impairment of Non Current Asset		**6178.65**	-
	Other expenses	**27**	**72006.96**	88583.58
	Total Expenses (IV)		**3928303.15**	3424821.47
V.	**Profit/(Loss) before Exceptional items and tax (III - IV)**		**135848.38**	75270.39
VI.	**Share of Profit of Joint Ventures**		**2763.38**	2561.25
VII.	**Exceptional Items**		**-**	-
VIII.	**Profit/(Loss) before tax (V + VI-VII)**		**138611.76**	77831.64
IX.	**Tax expense:**			
	(1) Current tax	**7**	**30803.18**	1676.78
	(2) Deferred tax		**2726.24**	-
X.	**Profit/(loss) for the year from continuing operations (VIII-IX)**		**105082.34**	76154.86
XI.	Profit/(loss) from discontinued operations		**-**	-
XII.	Tax expense of discontinued operations		**-**	-
XIII.	**Profit/(loss) from Discontinued operations(after tax) (XI - XII)**		**-**	-
XIV.	**Profit / (loss) for the year (X + XIII)**		**105082.34**	76154.86
XV.	**Other Comprehensive Income**	**28**		
A.	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement of Defined Benefit Plan		**(869.24)**	(157.47)
	- Share of OCI of Joint Ventures in Remeasurement of Defined Benefit Plans		**0.31**	(6.33)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	**7**	**300.83**	-
B.	(i) Items that will be reclassified to profit or loss		**-**	-
	(ii) Income Tax relating to items that will be reclassified to profit or loss		-	**-**
XVI.	**Total Comprehensive Income for the year (XIV + XV) (Comprising Profit/ (Loss) and Other Comprehensive Income for the year)**		**104514.24**	75991.06
XVII.	**Earning per equity share:**			
	(1) Basic (₹)		**70.57**	51.14
	(2) Diluted (₹)		**70.57**	51.14

See accompanying notes to the financial statements **1 - 45**

(Gautam Roy)
Managing Director

(S.Krishna Prasad)
Director (Finance)

(P.Shankar)
Company Secretary

As per our attached Report of even date

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ in Lakhs)

	Particulars	31-Mar-17	31-Mar-16
A	**Cash Flow from Operating Activities**		
1	Profit Before Tax	**138611.76**	77831.64
2	**Adjustments for :**		
	Depreciation and impairment of property, plant and equipment	**33996.18**	27259.19
	Unclaimed / Unspent liabilities written back	**(415.19)**	(382.68)
	Loss/(gain) on disposal of property, plant and equipments (net)	**351.13**	(467.80)
	Amortisation and impairment of intangible assets	**45.54**	110.01
	Amortisation of Government Grants	**(222.76)**	(7.73)
	Provision for Probable Contingencies (net)	**1105.61**	-
	Provision for Capital work-in-progress	**237.70**	1070.14
	Provision for Doubtful Debts, Advances and Claims	**1082.80**	-
	Provision for Stores (net)	**220.80**	188.61
	Finance income (including fair value change in financial instruments)	**(1572.80)**	(1596.96)
	Finance costs (including fair value change in financial instruments)	**27278.21**	35172.26
	Share of Profit of Joint Ventures	**(2763.38)**	(2561.25)
3	**Operating Profit before Working Capital Changes (1+2)**	**197955.60**	136615.43
4	**Change in Working Capital:**		
	(Excluding Cash & Bank Balances)		
	Trade & Other Receivables	**(31733.90)**	93368.57
	Inventories	**(3400.21)**	57798.05
	Trade and Other Payables	**(88145.14)**	(59510.62)
	Provisions	**13905.56**	3178.44
	Change in Working Capital	**(109373.68)**	94834.44
5	**Cash Generated From Operations (3+4)**	**88581.92**	231449.87
6	**Less : Taxes paid**	**(28904.23)**	(2213.06)
7	**Net Cash Flow from Operating Activities (5-6)**	**59677.68**	229236.81
B	**Cash Flow from Investing Activities:**		
	Proceeds from sale of Property, plant and equipment/Transfer of Assets	**14.93**	834.49
	Purchase of Property, plant and equipment	**(119110.56)**	(117183.67)
	Interest received (Finance Income)	**1572.80**	1596.96
	Dividend Income	**591.70**	591.70
	Net Cash Generated/(Used) in Investing Activities:	**(116931.13)**	(114160.52)
C	**Net Cash Flow From Financing Activities:**		
	Proceeds from Long-Term Borrowings (Including finance lease)	**32093.25**	100000.00
	Repayments of Long-Term Borrowings (Including finance lease)	**-**	(100000.00)
	Proceeds from/(Repayments of) Short-Term Borrowings	**61296.07**	(84222.65)
	Interest paid	**(31160.00)**	(30957.99)
	Dividends paid	**(5956.46)**	-
	Dividend distribution tax paid	**(1212.60)**	-
	Net Cash Generated/(Used) from Financing Activities:	**55060.26**	(115180.64)
D	**Net Change in Cash & Cash Equivalents (A+B+C)**	**(2193.19)**	(104.36)
E - 1	Cash & cash equivalents as at end of the year	**1692.98**	3886.17
E - 2	Cash & cash equivalents as at beginning of the year	**3886.17**	3990.53
	NET CHANGE IN CASH & CASH EQUIVALENTS (E 1 - E 2)	**(2193.19)**	(104.36)

(Gautam Roy)
Managing Director

(S.Krishna Prasad)
Director (Finance)

(P.Shankar)
Company Secretary

As per our attached Report of even date

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2017

(a) Equity Share Capital (₹ in Lakhs)

	Equity shares of ₹10 each issued, subscribed and fully paid	Subscribed, called-up and paid-up share capital	Add: Forfeited shares (amount originally paid up)	Total paid-up equity share capital
At 1 April 2015	148911400	14891.14	9.32	14900.46
At 31 March 2016	148911400	14891.14	9.32	14900.46
At 31 March 2017	**148911400**	**14891.14**	**9.32**	**14900.46**

(b) Other equity (₹ in Lakhs)

	Reserves and Surplus					
	Securities Premium	Debenture Redemption Reserve	Capital Redemption reserve	Retained earnings	General reserve	Total
As at 1 April 2016	25003.82	15000.00	20000.00	(161032.35)	333013.51	**231984.97**
Profit for the Year	-	-	-	105082.34	-	**105082.34**
Other comprehensive income (Remeasurement of gain or loss on defined benefit plan)	-	-	-	-	(568.10)	**(568.10)**
Total comprehensive income	-	-	-	105082.34	(568.10)	**104514.24**
Transfer to Retained Earnings	-	-	-	-	-	**-**
Transfer to Capital Redemption Reserve	-	-	20000.00	(20000.00)	-	**-**
Transfer to Debenture Redemption Reserve	-	5000.00	-	(5000.00)	-	**-**
Dividend for FY 15-16	-	-	-	(5956.46)	-	**(5956.46)**
Dividend distribution tax (DDT) of FY 15-16	-	-	-	(1333.06)	-	**(1333.06)**
At 31 March 2017	**25003.82**	**20000.00**	**40000.00**	**(88239.53)**	**332445.41**	**329209.69**

For the Year ended 31 March 2016: (₹ in Lakhs)

	Reserve and Surplus					
	Securities Premium	Debenture Redemption Reserve	Capital Redemption reserve	Retained earnings	General reserve	Total
As at 1 April 2015	25003.82	-	-	(202066.75)	333177.31	**156114.37**
Profit for the Year	-	-	-	76154.86	-	**76154.86**
Other comprehensive income (Remeasurement of gain or loss on defined benefit plan)	-	-	-	-	(163.80)	**(163.80)**
Total comprehensive income	-	-	-	76154.86	(163.80)	**75991.06**
Transfer to Capital Redemption Reserve	-		20000.00	(20000.00)	-	**-**
Transfer to Debenture Redemption Reserve	-	15000.00	-	(15000.00)	-	**-**
Dividends	-	-	-	-	-	**-**
Dividend distribution tax (DDT)	-	-	-	(120.46)	-	**(120.46)**
At 31 March 2016	**25003.82**	**15000.00**	**20000.00**	**(161032.35)**	**333013.51**	**231984.97**

(Gautam Roy)
Managing Director

(S.Krishna Prasad)
Director (Finance)

(P.Shankar)
Company Secretary

As per our attached Report of even date

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

CONSOLIDATED FINANCIAL STATEMENTS

Note-1A Corporate Information & Significant Accounting Policies

A. Corporate Information

The consolidated financial statements of "Chennai Petroleum Corporation Limited" ("the Company" or "CPCL") are for the year ended 31st March 2017.

CPCL is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at 536, Anna Salai, Teynampet, Chennai- 600018. (CIN -L40101TN1965GOI005389)

CPCL together with its joint ventures and associates is herein after referred to as group.

The group is in the business of refining crude oil to produce & supply various petroleum products, manufacture and sale of lubricating oil additives.

Information on related party relationships of the group is provided in Note 34.

The consolidated financial statements were approved for issue in accordance with a resolution of the directors on May 15 2017.

B. Standards issued but not yet effective

The MCA has notified Companies (Indian Accounting Standards) (Amendment) Rules, 2017 to amend Ind AS 7 ' Statement of Cash flows' and Ind AS 102 "Share-based payment". They shall come into force w.e.f 1st April 2017. These have not been adopted early by the group and accordingly, have not been considered in the preparation of the financial statements. The group intends to adopt these standards, if applicable, when they become effective. The information that is expected to be relevant to the financial statements is provided below.

- **Amendments to Ind AS 7, Statement of Cash flows**
  The amendment to Ind AS 7 introduces an additional disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Management is of the view that the amendment will have impact only on disclosures in relation to cash flow statement within the financial statements.

- **Amendments to Ind AS 102, Share Based payments**
  The amendment is not relevant for the group as it does not have any cash-settled share based payments or share based payments with a net-settled feature.

C. Significant Accounting Policies

1. BASIS OF PREPARATION / CONSOLIDATION

1.1. The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and with Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and comply in all material aspects with the relevant provisions of the Act.

For all periods up to 31st March 2015, the financial statements were prepared under historical cost convention in accordance with the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. These financial statements for the year ended 31st March 2017 are the first the group has prepared in accordance with Ind AS. Refer Note-42 for information on how the group adopted Ind AS.

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

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

The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs (INR 00,000), 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 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. FIXED ASSETS

2.1 Property, plant and equipment

2.1.1 The cost of an item of property, plant and equipment (PPE) is recognized as an asset if, and only if:

(i) it is probable that future economic benefits associated with the item will flow to the entity; and
(ii) the cost of the item can be measured reliably.

2.1.2 Property, plant and equipment are stated at acquisition cost less accumulated depreciation / amortization and cumulative impairment.

2.1.3 Technical know-how / license fee relating to plants/facilities and specific software that are integral part of the related hardware are capitalised as part of cost of the underlying asset.

2.1.4 Spare parts are capitalized when they meet the definition of PPE, i.e., when the group intends to use these during more than a period of 12 months.

2.1.5 The acquisition of property, plant and equipment, directly increasing the future economic benefits of any particular existing item of property, plant and equipment, which are necessary for the group to obtain the future economic benefits from its other assets, are recognized as assets.

2.1.6 On transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the capital work in progress and property, plant and equipment.

2.2 Capitalisation of Construction period expenses

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

2.2.2 Financing cost incurred during construction period on loans specifically borrowed and utilized for projects is capitalized on quarterly basis up to the date of capitalization.

2.2.3 Financing cost, if any, incurred on General Borrowings used for projects is capitalized at the weighted average cost. The amount of such borrowings is determined on quarterly basis.

2.3 Capital Stores included in CWIP

2.3.1 Capital stores are valued at cost. Specific provision is made for likely diminution in value, wherever required.

2.4 Intangible assets

2.4.1 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.

2.4.2 Expenditure incurred on Research & Development, other than on capital account, is charged to revenue.

2.4.3 Computer software/licenses ,other than specific software that are integral part of the related hardware, are capitalised as Intangible Asset and amortised over a period of three years beginning from the quarter in which such software is capitalised.

2.4.4 Right of ways with indefinite useful lives are not amortised, but are tested for impairment annually at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2.4.5 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.

2.4.6 The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life 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 or loss when the asset is derecognized.

2.4.7 On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognized as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

2.5 Depreciation / Amortisation

2.5.1 Cost of Property, Plant and Equipment (net of residual value) is depreciated on a straight-line basis over the useful lives of the assets prescribed in Schedule II of the Companies Act, 2013.

2.5.2 Depreciation / Amortisation is charged pro-rata on quarterly basis on assets, from / upto the quarter of capitalization / sale, disposal or dismantled during the year. The group depreciates components of the main assets that are significant in value and have different useful lives as compared to the main assets separately. The group depreciates capitalized spares/stores over the life of the spare/store from the date it is available for use.

2.5.3 Assets, costing up to ₹5,000/- per item are depreciated fully in the year of capitalization.

2.5.4 Residual value is generally considered between 0 - 5 % of cost of assets. In case of catalyst with noble metal content, residual value is considered based on the historical cost of metal content. Further, spares, components like catalyst excluding noble metal content and major overhaul / inspection are also depreciated fully over their respective useful life.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.5.5 Gains or losses arising from derecognition of Property, Plant and Equipment 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 or loss when the asset is derecognized.

3 LEASES

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

3.1.2 Operating Leases as a lessee

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

(i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken or given on lease; or

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

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

3.1.3 Operating Leases as a lessor

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except where-

(i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken or given on lease.; or

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

3.1.4 Finance leases as lessee

(i) Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

(ii) A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

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

4 IMPAIRMENT OF NON-FINANCIAL ASSETS

Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 10 years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

5 BORROWING COSTS

5.1 Borrowing costs that are attributable to the acquisition and construction of the qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

6 FOREIGN CURRENCY TRANSACTIONS/TRANSLATION

6.1 The group's financial statements are presented in Indian Rupee (₹), which is also its functional currency.

6.2 Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transactions.

6.3 Monetary items denominated in foreign currencies (such as cash, receivables, payables etc) outstanding at the end of reporting period, are translated at exchange rates prevailing as at the end of reporting period.

6.4 Non-monetary items denominated in foreign currency, (such as investments, fixed assets etc.) are valued at the exchange rate prevailing on the date of the transaction, other than those measured at fair value.

6.5 Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are recognised in statement of profit or 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 Crude oil is valued at cost determined on weighted average basis or net realizable value, whichever is lower.

7.1.2 Crude oil in Transit is valued at cost or net realizable value, whichever is lower.

7.1.3 Stock in Process is valued at raw material cost plus fifty percent conversion costs as applicable or net realizable value, whichever is lower.

7.2 Finished Products and Stock-in-Trade

7.2.1 Finished products and stock in trade are valued at cost determined on 'First in First Out' basis or net realizable value, whichever is lower. Cost of Finished Products produced is determined based on raw material cost and processing cost.

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 are valued at lower of the weighted average cost or net realizable value.

8 PROVISIONS, CONTINGENT LIABILITIES AND COMMITMENTS

8.1 Provisions

8.1.1 Provisions are recognized when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

8.1.2 When the Group expects some or all of a provision to be reimbursed, reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

8.1.3 If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

8.2 Contingent Liabilities

8.2.1 Show-cause Notices issued by various Government Authorities are not considered as Obligation.

When the demand notices are raised against such show-cause notices and are disputed by the group, these are classified as disputed obligations.

8.2.2 The treatment in respect of disputed obligations are as under:

a) a provision is recognized in respect of present obligations where the outflow of resources is probable;
b) all other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

8.3 Capital Commitments

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

9 REVENUE RECOGNITION

9.1 Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

9.2 The recovery of excise duty flows to the group on its own account and hence, revenue includes excise duty. However, sales tax/ value added tax (VAT) is not received by the group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

9.3 The specific recognition criteria described below must also be met before revenue is recognised:

(i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

(ii) Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

(iii) Dividends

Dividend income is recognized when the group's right to receive dividend is established.

(iv) Others

Claims (including interest on outstanding) are recognized at cost when there is reasonable certainty regarding its ultimate collection.

9.4 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

10.1 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.

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 recognised using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

11.2.2 The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

11.2.3 Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

11.2.4 Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

12 EMPLOYEE BENEFITS

12.1 Short Term 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

12.2.1 The Group's contribution to the Provident Fund is remitted to separate trust established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss/CWIP. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, is made good by the group and charged to Statement of Profit and Loss/CWIP.

12.2.2 The group operates defined benefit plan for Gratuity and Post Retirement Medical Benefits. The cost of providing such defined benefits is determined using the projected unit credit method of actuarial valuation made at the end of the year. Out of these plans, Gratuity is administered through a trust.

Obligations on other long term employee benefits viz. Compensated absences, and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year.

12.2.3 The group also operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate Trust.

12.3 Termination Benefits

Payments made under Voluntary Retirement Scheme are charged to Statement of Profit and Loss on incurrence.

12.4 Remeasurement of Post-Employment defined benefit plans

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 OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

(i) the date of the plan amendment or curtailment, and
(ii) the date that the group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net benefit liability or asset. The group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

13 GRANTS

13.1 Capital Grants

In case of depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Capital Grants which are recognized as income in the Statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

13.2 Revenue Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

In case of waiver of duty under EPCG license, such grant is considered as revenue grant and recognised in "Other Operating Revenue" in proportion of export obligations actually fulfilled during the accounting period.

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

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.

14 CURRENT VERSUS NON-CURRENT CLASSIFICATION

14.1 The group presents assets and liabilities in the balance sheet based on current/ non-current classification.

14.2 An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

14.3 All other assets are classified as non-current.

14.4 A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

14.5 The Group classifies all other liabilities as non-current.

14.6 Deferred tax assets and liabilities are classified as non-current assets and liabilities.

15 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

15.1 Financial assets

15.1.1 Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

15.1.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial Assets at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at fair value through other comprehensive income (FVTOCI)
- Financial assets and derivatives at fair value through profit or loss (FVTPL)

15.1.3 Financial Assets at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

15.1.4 Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) the asset's contractual cash flows represent solely payments of principal and interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

15.1.5 Equity instrument at FVTOCI

A. Equity investments (Other than JVs and associates)

All equity investments in scope of Ind AS 109 are measured at fair value. The Group has made an irrevocable election to present subsequent changes in the fair value in other comprehensive income, excluding dividends. The classification is made on initial recognition/transition and is irrevocable.

There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group will transfer the cumulative gain or loss within equity.

B. Equity investments in JVs and associates

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

15.1.6 Debt Instruments and derivatives at FVTPL

FVTPL is a residual category for debt instrument. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. Interest income on such instruments has been presented under interest income.

15.1.7 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.

15.2 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; and

b. Lease receivables under Ind AS 17

The Group follows 'simplified approach' for recognition of impairment loss allowance on, if any, 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.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

15.3 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of liabilities measured at amortised cost net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans and borrowings including derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

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 profit or 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 profit or loss.

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 profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

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 or loss.

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 fortrading or designated at fair value though profit or loss. These embedded derivatives, if any, are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

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.

Derivative instrument Initial recognition / Subsequent measurement

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. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Commodity contracts

Commodity contracts, if any, those are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or 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 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.

16.3 All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

In case of Level 3 valuations, external valuers are also involved in some cases.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

17 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.

18 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.

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. 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.

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 consolidated financial statements:

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events

Refer Note No.33 for details of Contingent Liabilities

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. 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.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less cost of disposal used to determine the recoverable amounts of the impaired assets are not based on observable market data, rather, management's best estimates.

The value in use calculation is based on a DCF model. The cash flows do not include impact of significant future investments that may enhance the asset's performance of the CGU being tested. The results of impairment test are sensitive to changes in key judgements, such as changes in commodity prices, future changes in alternate use of assets etc, which could result in increase or decrease of the recoverable amounts and result in additional impairment charges or recovery of impairment charged.

Refer Note 43.2 on impairment recognized during the year.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. The net tax expense has been arrived at after considering deferred tax liability and Credit for Minimum Alternate Tax (including credits available in the previous year), considering the availability of MAT credit for utilisation against the future year's tax liability. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Refer Note 7 on Taxes

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation 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, which is most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government securities of relatable maturity.

The mortality rate is based on publicly available mortality tables which tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 32.

Note – 2 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

		AT COST				DEPRECIATION, AMORTISATION AND IMPAIRMENT									NET BLOCK	
	Note	Gross Block as at 1 April 2016	Additions during the Year	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	Gross Block as at 31st March 2017	Depreciation and Amortisation as at 1st April 2016	Depreciation and Amortisation during the Year		Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	Total Depreciation and Amortisation up to 31 March 2017	Total Impairment Loss as at 1 April 2016	Impairment Loss during the Year (D)	Impairment loss reversed during the Year	Total Impairment Loss up to 31 March 2017	AS AT 31st March 2017	AS AT 31st March 2016
							Adjusted in General Reserve	Charged to statement of profit & Loss a/c								
		Refer E			Refer E											
Land - Freehold	A	3784.10	220.58	-	**4004.68**	-	-	-	-	-	-	-	-	-	**4004.68**	3784.10
Land - Leasehold		591.99	-	-	**591.99**	**7.04**	-	7.04	-	**14.08**	-	-	-	-	**577.91**	584.95
Buildings, Roads etc.		13724.07	-	(2.08)	**13721.99**	**779.73**	-	659.57	(0.60)	**1438.70**	-	1469.74	-	**1469.74**	**10813.55**	12944.34
Plant and Equipment	B	415353.03	8156.64	(1613.12)	**421896.55**	**25034.70**	-	26434.16	(670.30)	**50798.56**	-	2752.80	-	**2752.80**	**368345.19**	390318.33
Office Equipments		1147.47	587.63	(27.34)	**1707.76**	**339.14**	-	368.80	(18.63)	**689.31**	-	-	-	-	**1018.45**	808.33
Transport Equipments		695.19	267.60	(7.27)	**955.52**	**38.00**	-	55.24	(0.65)	**92.59**	-	-	-	-	**862.94**	657.19
Furniture and Fixtures		729.84	181.95	(26.97)	**884.82**	**183.77**	-	180.67	(10.29)	**354.15**	-	-	-	-	**530.67**	546.07
Railway Sidings	C	0.30	-	-	**0.30**	-	-	-	-	-	-	-	-	-	**0.30**	0.30
Drainage, Sewage and Water Supply System		1873.33	-	-	**1873.33**	112.79	-	112.05	-	**224.84**	-	19.06	-	**19.06**	**1629.43**	1760.54
Total	E	**437899.32**	**9414.40**	**(1676.78)**	**445636.94**	**26495.17**	-	**27817.53**	**(700.47)**	**53612.23**	-	**4241.60**	-	**4241.60**	**387783.12**	**411404.15**

		AT COST				DEPRECIATION, AMORTISATION AND IMPAIRMENT									NET BLOCK	
	Note	Gross Block as at 1 April 2015	Additions during the Year	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	Gross Block as at 31 March 2016	Depreciation and Amortisation as at 1 April 2015	Depreciation and Amortisation during the Year		Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	Total Depreciation and Amortisation up to 31 March 2016	Total Impairment Loss as at 1 April 2015	Impairment Loss during the Year	Impairment loss reversed during the Year	Total Impairment Loss up to 31 March 2016	AS AT 31st March 2016	AS AT 31st March 2015
							Adjusted in General Reserve	Charged to statement of profit & Loss a/c								
		Refer E			Refer E											
Land - Freehold	A	3784.10	-	-	**3784.10**	-	-	-	-	-	-	-	-	-	**3784.10**	3784.10
Land - Leasehold		657.51	-	(65.52)	**591.99**	-	-	7.24	(0.20)	**7.04**	-	-	-	-	**584.95**	657.51
Buildings, Roads etc.		13075.69	661.76	(13.38)	**13724.07**	-	-	779.73	-	**779.73**	-	-	-	-	**12944.34**	13075.69
Plant and Equipment		386500.91	29879.48	(1027.36)	**415353.03**	-	-	25793.25	(758.55)	**25034.70**	-	-	-	-	**390318.33**	386500.91
Office Equipments		831.39	321.45	(5.37)	**1147.47**	-	-	340.88	(1.74)	**339.14**	-	-	-	-	**808.33**	831.39
Transport Equipments		533.65	161.77	(0.23)	**695.19**	-	-	38.00	-	**38.00**	-	-	-	-	**657.19**	533.65
Furniture and Fixtures		637.73	110.96	(18.85)	**729.84**	-	-	187.30	(3.53)	**183.77**	-	-	-	-	**546.07**	637.73
Railway Sidings	C	0.30	-	-	**0.30**	-	-	-	-	-	-	-	-	-	**0.30**	0.30
Drainage, Sewage and Water Supply System		1873.33	-	-	**1873.33**	-	-	112.79	-	**112.79**	-	-	-	-	**1760.54**	1873.33
Total	E	**407894.61**	**31135.42**	**(1130.71)**	**437899.32**	-	-	**27259.19**	**(764.02)**	**26495.17**	-	-	-	-	**411404.15**	**407894.61**

A. Gross block of Land includes ₹ 18.36 Lakhs deposited towards 50.93 acres of Land for which assignment deed is yet to be received from Govt. of TamilNadu.
B. The cost of assets includes EPCG benefit (net of CENVAT), 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.
D. Impairment loss pertains to Cauvery Basin Refinery (refer Note 43.2)
E. The cost of assets are net of VAT/CENVAT, wherever applicable

SYMBOL OF VIBRANT GROWTH

Note – 2 : PROPERTY, PLANT AND EQUIPMENT

Details of assets under finance lease included above: **(₹ in Lakhs)**

Asset Particulars	Deemed Cost as on 01.04.2015	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31-Mar-17	W.D.V. as at 31-Mar-16	W.D.V. as at 31-Mar-15
Plant and Equipment	995.33	103.06	-	**892.27**	943.80	995.33
Buildings	825.54	70.85	-	**754.69**	790.12	825.54
Total	**1820.87**	**173.91**	**-**	**1646.96**	1733.92	1820.87

Additions to Gross Block Includes: **(₹ in Lakhs)**

Asset Particulars	Borrowing Cost	
	31-Mar-17	31-Mar-16
Plant and Equipment	-	473.83
Total	**-**	473.83
Effective weighted average interest rate of borrowings capitalised (Rate in %)	Nil	9.04%

Details of Assets as per Previous IGAAP **(₹ in Lakhs)**

Asset Particulars	Gross Block 01-Apr-15	Net Block 01-Apr-15
Land - Freehold	3784.10	3784.10
Land - Leasehold	780.85	657.51
Buildings	27408.02	12614.97
Plant and Equipment	774551.62	386102.64
Office Equipments	4245.86	831.39
Transport Equipment	2453.95	533.65
Furniture & Fixtures	1972.43	637.73
Railway Sidings	6.12	0.30
Drainage, Sewage& Water Supply	2401.40	1873.33
Total	**817604.35**	**407035.62**

Note – 2.1 : CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Sl.No	Particulars	Note	31-Mar-17		31-Mar-16	01-Apr-15
1	Construction Work in Progress - Fixed Assets (Including unallocated capital expenditure, materials at site)					
	Balance as at beginning of the year		165970.69		74970.68	30407.62
	Add: Additions during the year		114598.24		118604.51	48556.05
	Less: Allocated/ Capitalised during the year		3893.73		27604.50	3992.99
			276675.20		165970.69	74970.68
	Less: Provision for Capital Losses		1307.84		1070.14	-
	Less: Impairment Loss	**A**	1908.84		-	-
				273458.52	164900.55	74970.68
2	Capital stores balance as at beginning of the year		2708.70		3633.77	3437.88
	Add: Additions during the year		6106.11		2488.04	1200.14
	Less: Allocated during the year		6312.02		3413.11	1004.25
			2502.79		2708.70	3633.77
	Less: Provision for Capital Losses		300.57		300.57	311.61
	Capital stores			**2202.22**	2408.13	3322.16
3	Construction Period Expenses pending allocation:					
	Net expenditure during the year (Note -"2.2")		11717.10		9241.45	3734.90
	Less: Allocated during the year		11717.10		9241.45	3734.90
				-	-	-
	TOTAL	**B**		**275660.74**	167308.68	78292.84

A Impairment loss pertains to Cauvery Basin Refinery (refer Note 43.2)

B The cost of assets includes EPCG benefit (net of CENVAT), wherever applicable

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

(₹ in Lakhs)

	Particulars	31-Mar-17	31-Mar-16	01-Apr-15
1	Employee Benefit expenses	1311.05	1030.39	861.27
2	Power & Fuel	282.69	76.32	-
3	Finance Cost	10046.42	8067.81	2822.72
4	Travelling Expenses and Others	76.94	66.93	50.91
	Net Expenditure during the year	**11717.10**	9241.45	3734.90
	Effective weighted average interest rate of borrowings eligible for capitalisation (Rate in %)	**9.27**	9.65	9.57

Note – 3 : INTANGIBLE ASSETS

(1) Intangible assets with definite useful life

(₹ in Lakhs)

	AT COST					AMORTISATION AND IMPAIRMENT							NET BLOCK	
	Gross Block as at 1 April 2016	Additions during the Year - internally developed	Additions during the Year - acquired separately	Disposals / Deductions / Transfers to Held for Sale / Reclassifications/ Discontinued Operations	Gross Block as at 31 March 2017	Total Amortisation as at 1 April 2016	Amortisation during the Year	Disposals / Deductions / Transfers / Reclassifications/ Discontinued Operations	Total Amortisation upto 31 March 2017	Total Impairment Loss as at 1 April 2016	Impairment Loss during the Year (A)	Total Impairment Loss upto 31 March 2017	AS AT 31 March 2017	AS AT 31 March 2016
Computer Software	50.63	-	30.55	-	**81.18**	36.48	19.94	-	**56.42**	-	1.32	1.32	**23.44**	14.15
Technical Know-How, Royalty and License Fees	576.01	-	-	-	**576.01**	73.53	25.60	-	**99.13**	-	-	-	**476.88**	502.48
Total	**626.64**	-	**30.55**	-	**657.19**	**110.01**	**45.54**	-	**155.55**	-	**1.32**	**1.32**	**500.32**	**516.63**

	AT COST					AMORTISATION AND IMPAIRMENT							NET BLOCK	
	Gross Block as at 1 April 2015	Additions during the Year - internally developed	Additions during the Year - acquired separately	Disposals / Deductions / Transfers to Held for Sale / Reclassifications/ Discontinued Operations	Gross Block as at 31 March 2016	Total Amortisation as at 1 April 2015	Amortisation during the Year	Disposals / Deductions / Transfers / Reclassifications/ Discontinued Operations	Total Amortisation upto 31 March 2016	Total Impairment Loss as at 1 April 2015	Impairment Loss during the Year (A)	Total Impairment Loss upto 31 March 2016	AS AT 31 March 2016	AS AT 31 March 2015
Computer Software	41.53	-	9.10	-	**50.63**	-	36.48	-	**36.48**	-	-	-	**14.15**	41.53
Technical Know-How, Royalty and License Fees	576.01	-	-	-	**576.01**	-	73.53	-	**73.53**	-	-	-	**502.48**	576.01
Total	**617.54**	-	**9.10**	-	**626.64**	-	**110.01**	-	**110.01**	-	-	-	**516.63**	**617.54**

(2) Intangible assets with indefinite useful life

(₹ in lakhs)

	AT COST				AMORTISATION AND IMPAIRMENT				NET BLOCK	
	Gross Block as at 1 April 2016	Additions during the Year - internally developed	Additions during the Year - acquired separately	Disposals / Deductions / Transfers to Held for Sale / Reclassifications/ Discountinued Operations	Gross Block as at 31 March 2017	Total Impairment Loss as at 1 April 2016	Impairment Loss during the Year (A)	Total Impairment Loss upto 31 March 2017	AS AT 31 March 2017	AS AT 31 March 2016
Right of Way	26.88	-	-	-	26.88	-	26.88	26.88	-	26.88
	26.88	-	-	-	**26.88**	-	**26.88**	**26.88**	-	**26.88**

(A) Impairment loss pertains to Cauvery Basin Refinery (Refer Note 43.2)

(₹ in lakhs)

	AT COST				AMORTISATION AND IMPAIRMENT				NET BLOCK	
	Gross Block as at 1 April 2015	Additions during the Year - internally developed	Additions during the Year - acquired separately	Disposals / Deductions / Transfers to Held for Sale / Reclassifications/ Discountinued Operations	Gross Block as at 31 March 2016	Total Impairment Loss as at 1 April 2015	Impairment Loss during the Year	Total Impairment Loss upto 31 March 2016	AS AT 31 March 2016	AS AT 31 March 2015
Right of Way	26.88	-	-	-	26.88	-	-	-	26.88	26.88
	26.88	-	-	-	**26.88**	-	-	-	**26.88**	**26.88**

Note – 3.1 : INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Lakhs)

Particulars		**31-Mar-17**	31-Mar-16	01-Apr-15
Work in Progress - Intangible Asset:				
Balance as at beginning of the year	596.98		596.98	596.98
Add: Net expenditure during the year	-		-	-
	596.98		596.98	596.98
Less: Allocated during the year	-		-	-
		596.98	596.98	596.98
TOTAL		**596.98**	596.98	596.98

Note : Pertains to Property, Plant and Equipment under construction

Note – 4 : INVESTMENT IN JOINT VENTURES

(₹ in Lakhs)

Sl. No	Particulars	No. and Particulars	Face Value per share (₹)	Non-current		
				31-Mar-17	31-Mar-16	01-Apr-15
I	**Investments in equity shares**					
1	**Unquoted:**					
a)	**Investment in Joint Venture Companies:**					
	Indian Additives Ltd.	1183401 Equity Shares fully paid	100	**1183.40**	1183.40	1183.40
	Add: Share of Other Equity (inclusive of OCI)			**12806.13**	10754.60	8911.80
	National Aromatics and Petrochemical Corporation Limited	25000 Equity Shares fully paid	10	**2.50**	2.50	2.50
	Less: Provision for Diminution			**2.50**	2.50	2.50
				-	-	-
	TOTAL			**13989.53**	11938.00	10095.20
	Aggregate value of unquoted investments			**13992.03**	11940.50	10097.70
	Aggregate amount of provision for value of investments			**2.50**	2.50	2.50

Note – 4.1 : INVESTMENTS

Sl. No	Particulars	No. and Particulars	Face Value per share (₹)	Non-current		
				31-Mar-17	31-Mar-16	01-Apr-15
I	**Other Investments:**					
	Investments at fair value through OCI (fully paid):					
a)	BioTech Consortium India Ltd	100000 Equity Shares fully paid	10	**10.00**	10.00	10.00
b)	MRL Industrial Cooperative Service Society Ltd	9000 Shares fully paid	10	**0.90**	0.90	0.90
	TOTAL		**A**	**10.90**	10.90	10.90
	Aggregate value of unquoted investments			**10.90**	10.90	10.90
	Aggregate amount of provision for value of investments			**-**	-	-

A Fair Value approximates carrying value

Note – 5 : LOANS

(₹ in Lakhs)

SL. No	Particulars	Note	Non-current			Current		
			31-Mar-17	31-Mar-16	01-Apr-15	**31-Mar-17**	31-Mar-16	01-Apr-15
1	**Security Deposits**							
	i) Unsecured, Considered Good		-	-	-	**932.68**	1168.90	987.51
2	**Loans:**							
	To Related Parties							
	i) Secured, Considered Good	**A.1**	3.74	3.97	4.33	0.84	0.40	0.40
	ii) Unsecured, Considered Good	**A.2**	1.84	4.18	4.87	2.28	26.77	26.27
			5.58	8.15	9.20	**3.12**	27.17	26.67
	To Others							
	i) Secured, Considered Good		2054.28	2082.36	2161.31	467.15	427.33	582.13
	ii) Unsecured, Considered Good		1234.17	1465.20	1002.90	1085.17	1179.96	591.89
			3288.45	3547.56	3164.21	**1552.32**	1607.29	1174.02
	Sub Total		**3294.03**	3555.71	3173.41	**1555.44**	1634.46	1200.69
	TOTAL		**3294.03**	3555.71	3173.41	**2488.12**	2803.36	2188.20

NOTES:

A.1	**Includes:**						
	1 Due from Directors	**0.25**	0.58	-	**0.34**	0.33	0.33
	2 Due from Officers	**3.49**	3.39	4.33	**0.50**	0.07	0.07
A.2	Includes:						
	1 Due from Directors	**1.32**	2.96	3.40	**1.55**	25.62	25.62
	2 Due from Officers	**0.52**	1.22	1.47	**0.73**	1.15	0.65

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

(₹ in Lakhs)

		Amount as on			Maximum Amount outstanding during the year ended		
		31-Mar-17	31-Mar-16	01-Apr-15	**31-Mar-17**	31-Mar-16	01-Apr-15
I.	Loans and Advances in the nature of loans:						
A)	To Parent Company	-	-	-	**-**	-	-
B)	To Associates /Joint Venture	-	-	-	**-**	-	-
C)	To Firms/Companies in which directors are are interested	-	-	-	**-**	-	-

Note – 6 : OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Sl. No	Particulars	Non - Current			Current		
		31-Mar-17	31-Mar-16	01-Apr-15	**31-Mar-17**	31-Mar-16	01-Apr-15
1	Deposit for Leave Encashment Fund	**4740.67**	4683.30	7663.75	-	-	-
2	Interest Accrued on Investments/ Bank Deposits/ Loans	-	-	-	**2.47**	48.95	47.47
3	**Claims Recoverable :**						
	a) From Related Parties						
	i) Unsecured, Considered Good	-	-	-	140.00	802.37	698.68
	ii) Unsecured, Considered Doubtful	-	-	-	2156.81	1440.36	1440.36
		-	-	-	2296.81	2242.73	2139.04
	b) Others						
	i) Unsecured, Considered Good	-	-	-	354.66	1255.68	533.37
	ii) Unsecured, Considered Doubtful	-	-	-	584.17	218.19	478.05
		-	-	-	938.83	1473.87	1011.42
	Less : Provision for Doubtful Claims	-	-	-	2740.98	1658.55	1918.41
	Sub Total	-	-	-	**494.66**	2058.05	1232.05
4	**Other Financial Assets**	-	-	-	**223.59**	518.84	1367.32
	TOTAL	**4740.67**	4683.30	7663.75	**720.72**	2625.84	2646.84

Note – 7 : INCOME TAX ASSETS/ LIABILITIES (NET) **(₹ in Lakhs)**

	Particulars		31-Mar-17	31-Mar-16	01-Apr-15
1	**Tax Asset/ (Liability) - Net (Current)**				
	Advance payments for Current Tax	31254.15		2573.10	360.04
	Less: Provision for Current Tax	33061.88		1755.40	-
		(1807.73)		817.70	360.04
	Current Tax Asset/ (Liability) - Net		(1807.73)	817.70	360.04
	TOTAL		**(1807.73)**	817.70	360.04

(I) A numerical reconciliation between tax expense / (income) and product of accounting profit multiplied by the applicable tax rates, disclosing also the basis on which applicable tax rates is/ are computed

Income Tax Expense:

	31-Mar-17	31-Mar-16
Current tax		
Current tax on Profit for the year	**30803.18**	1676.78
Deferred tax		
Decrease /(increase) in deferred tax assets	**2992.20**	(1002.02)
(Decrease) /increase in deferred tax liabilities	**(566.79)**	1002.02
Deferred Tax - Total	**2425.41**	-
Income tax expense - Total	**33228.59**	**1676.78**

	31-Mar-17	31-Mar-16
Accounting profit	**138611.76**	77831.64
Tax at the applicable tax rate of 34.608% (31.3.2016: 34.608%)	**47970.76**	26935.97
Tax effect of income that are not taxable in determining taxable profit:		
Exempt Income	**(125.60)**	(125.60)
Recognition of DTA on carry forward losses pertaining to earlier years (restricted to the extent of DTL in the respective years)	**(15568.52)**	(10064.36)
Share of results of Joint Venture	**(729.24)**	(681.12)
Others	**(1.25)**	-
Tax effect of expenses that are not deductible in determining taxable profit:		
Dividend Paid	**886.74**	-
Ind AS Opening Reserve adjustment & others	**424.81**	**-**
Interest on Income tax & other disallowances	**107.41**	311.98
Provision expenditure non deductible	**564.31**	614.99
Utilsation of Unabsorbed Business Loss and Unabsorbed Depreciation	-	(15315.09)
Tax expense	**33529.42**	1676.78
Deferred tax related to OCI		
Other Comprehensive Income		
Remeasurement of Defined Benefit Obligation-Gain / (Loss)	**(868.93)**	(163.80)
Deferred tax Charged to OCI	**(300.83)**	-
Total Tax Expense on Total Comprehensive Income	**33228.59**	1676.78

The Company has carry forward business losses of ₹ Nil (2016: ₹111098.70 Lakhs) and unabsorbed depreciation of ₹106440.08 Lakhs (2016: ₹145656.98 Lakhs).

In the previous financial year, Company has restricted the recognition of Deferred Tax Asset in respect of carry forward business loss and unabsorbed depreciation only to the extent of tax liability on future taxable income arising on account of reversal of temporary differences.

	As at 01-Apr-15	Provided during the Year 2015-16	As at 31-Mar-16	Provided during the Year 2016-17	As at 31-Mar-17
Deferred tax liability:					
Related to Fixed Assets (Depreciation)	76613.17	911.21	77524.38	(486.27)	**77038.11**
Retirement benefits to employees	-	90.81	90.81	(80.52)	**10.29**
Total deferred tax liability (A)	**76613.17**	**1002.02**	**77615.1**	**(566.79)**	**77048.40**
Deferred tax assets:					
Carry forward Business Loss / Unabsorbed Depreciation	76613.17	1002.02	77615.19	(40778.41)	**36836.78**
Provision on Inventories, Trade Receivables, Loans and advances, CWIP, Investments etc.	-	-	-	2488.73	**2488.73**
43B Disallowances, Bonus , Gratuity etc.	-	-	-	4494.30	**4494.30**
MAT Credit Entitlement	-	-	-	30803.18	**30803.18**
Total deferred tax assets (B)	**76613.17**	**1002.02**	**77615.19**	**(2992.20)**	**74622.99**
Deferred Tax Liability (Net) (A - B)	**-**	**-**	**-**	**2425.41**	**2425.41**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Note – 8 : OTHER ASSETS

(₹ in Lakhs)

Sl. No	Particulars	Non - Current			Current		
		31-Mar-17	31-Mar-16	01-Apr-15	**31-Mar-17**	31-Mar-16	01-Apr-15
1	**Advance for Capital Expenditure**						
	a) To Related Parties						
	i) Unsecured, Considered Good	140.92	4.10	-	-	-	-
	b) To Others						
	i) Unsecured, Considered Good	7906.83	7382.57	5726.17			
		8047.75	7386.67	5726.17	-	-	-
2	**Advances**						
	i) Unsecured, Considered Good	-	-	-	**3769.49**	2368.65	2355.31
3	**Claims Recoverable : From Custom, Excise, Sales tax & Income Tax dept**						
	i) Unsecured, Considered Good	-	-	-	**26260.07**	22146.31	11497.04
4	**Cenvat, VAT, service tax recoverable**	-	-	-	**5429.04**	5898.54	2861.30
5	**Balance with Customs, Port Trust and Excise Authorities:**						
	i) Unsecured, Considered Good	-	-	-	**573.57**	61.75	291.01
6	**Gold Coins in Hand (at Cost)**	**-**	-	-	62.54	63.88	66.92
	Less : Provision for Diminution	**-**	-	-	8.52	14.36	-
		-	-	-	**54.02**	49.52	66.92
7	**Materials given on loan:**						
	a) To Related Parties						
	i) Unsecured, Considered Good	-	-	-	-	52.28	60.23
8	**Deferred Expenses**	**1702.60**	1841.58	1926.94	**295.78**	302.18	217.45
	TOTAL	**9750.35**	9228.25	7653.11	**36381.97**	30879.23	17349.26

Note – 9 : INVENTORIES

(₹ in Lakhs)

SL.	Particulars		31-Mar-17	31-Mar-16	01-Apr-15
1	**In Hand :**				
	a. Stores, Spares etc.	22534.93		22821.17	21901.24
	Less : Provision for Losses	2830.77		2609.97	2424.31
			19704.16	20211.20	19476.93
	b. Raw Materials		**124001.56**	68412.53	94471.02
	c. Finished Products		**99149.79**	114570.71	117161.40
	d. Stock in Process		**32539.95**	27673.08	45925.32
			275395.46	230867.52	277034.67
2	**In Transit :**				
	a. Stores & Spares etc.		**1383.92**	536.06	660.05
	b. Raw Materials		**43926.37**	86122.76	99401.96
			45310.29	86658.82	100062.01
	TOTAL		**320705.75**	317526.34	377096.68
	Impact of Valuation of closing inventories carried at net realisable value recognised in the statement of profit & loss		**4989.17**	318.14	488.96

Note – 10 : TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	Note		31-Mar-17	31-Mar-16	01-Apr-15
1 Over Six Months:					
a) From Related Parties					
i) Unsecured, Considered Good	(i)	-		0.81	-
b) From Others					
i) Unsecured, Considered Good		41.57		65.27	309.62
ii) Unsecured, Considered Doubtful		-		-	116.60
Total		41.57		66.08	426.22
Less : Provision for Doubtful Debts		-		-	116.60
			41.57	66.08	309.62
2 Other Debts :					
a) From Related Parties					
i) Unsecured, Considered Good	(i)	89429.03		61763.37	162246.27
b) From Others					
i) Secured Considered Good	(ii)	7497.96		9132.71	9037.60
ii) Unsecured, Considered Good		7001.64		5139.40	11281.98
			103928.63	76035.48	182565.85
TOTAL			**103970.20**	76101.56	182875.47

(I Includes receivables from Indian Oil Corporation Ltd., the holding company - ₹89104.13 Lakhs(2016: ₹61334.93 Lakhs; 2015: ₹161885.99 Lakhs) and receivables from Indian Additives Limited., Joint Venture Company - ₹393.85 Lakhs(2016: ₹485.25; 2015: ₹401.10 Lakhs). For Terms & Conditions relating to Related Party transactions, Refer note 34

(ii) Represents dues for which mortgage and first charge on Fixed asset is in favour of the company to the extent of ₹10000 Lakhs (2016: ₹10000 Lakhs; 2015: ₹10000 Lakhs)

Note – 11 : CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

	Particulars	31-Mar-17	31-Mar-16	01-Apr-15
1	**Bank Balances with Scheduled Banks :**			
	a) Current Account	**26.25**	9.18	29.31
2	**Cash Balances, Including Imprest**	**-**	**-**	0.08
	TOTAL	**26.25**	9.18	29.39

Note – 12 : OTHER BANK BALANCES

(₹ in Lakhs)

	Particulars	Note	31-Mar-17	31-Mar-16	01-Apr-15
1	Balances with bank held as other commitments		**517.90**	488.12	459.55
2	Earmarked Balances	**A**	**1148.83**	3388.87	3501.59
	TOTAL		**1666.73**	3876.99	3961.14

NOTES:

A) Pertains to unpaid dividend. (Refer note 16- Sl.No.9)

Note – 13 : EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Note	31-Mar-17	31-Mar-16	01-Apr-15
Authorized:				
Equity:				
40,00,00,000 (2016: 40,00,00,000; 2015: 40,00,00,000) Equity Shares of ₹10 each		**40000.00**	40000.00	40000.00
Preference:				
100,00,00,000 (2016:100,00,00,000; 2015: NIL) Non-Convertible Cumulative Redeemable Preference Shares of ₹10 each		**100000.00**	100000.00	-
		140000.00	140000.00	40000.00
Issued :				
Equity:				
17,00,00,000 (2016: 17,00,00,000; 2015: 17,00,00,000) Equity Shares of ₹10 each	(i)	**17000.00**	17000.00	17000.00
Preference:				
100,00,00,000 (2016:100,00,00,000; 2015: NIL) Non-Convertible Cumulative Redeemable Preference Shares of ₹10 each	(ii)	**100000.00**	100000.00	-
		117000.00	117000.00	17000.00
Subscribed, Called-up and Paid-up :				
14,89,11,400 (2016: 14,89,11,400; 2015: 14,89,11,400) Equity shares of ₹10 each	(i)	**14891.14**	14891.14	4891.14
Add: Forfeited Shares (amount originally paid up)		**9.32**	9.32	9.32
Total Paid up Equity share Capital		**14900.46**	14900.46	14900.46
TOTAL		**14900.46**	14900.46	14900.46

(i) 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.

(ii) Based on special resolution passed by the shareholders through postal ballot on 16.07.2015, the company has allotted 100 Crore Non Convertible Cumulative Redeemable Preference Shares of ₹10 each for cash at par amounting to ₹1000 Crore to Indian Oil Corporation Ltd, the holding company on private placement preferential allotment basis on 24.09.2015 after receipt of full subscription amount.

Preference Shares classified as financial liability (long term borrowing) as per Ind AS 32 - Refer note - 15(II) (C) and note (ii) thereon

Note – 13 : EQUITY SHARE CAPITAL

A. Reconciliation of No. of Shares	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Equity Shares	**Preference Shares**	Equity Shares	Preference Shares	Equity Shares	Preference Shares
Opening Balance	**148911400**	**1000000000**	148911400	-	148911400	-
Shares Issued	-	-	-	1000000000	-	-
Shares bought back	-	-	-	-	-	-
Closing Balance	**148911400**	**1000000000**	148911400	1000000000	148911400	-

B. Rights, preferences and restrictions attached to 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 Lakhs)**

A. Reconciliation of No. of Shares		31 March 2017	31 March 2016	01 April 2015
7,72,65,200 Equity Shares of ₹10 each (51.89%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.		**7726.52**	7726.52	7726.52

D. Details of shareholders holding more than 5% shares Equity Shares

Name of Shareholder		31 March 2017		31 March 2016		01 April 2015	
		Number of shares held	**Percentage of Holding**	Percentage of Holding	Number of shares held	Number of shares held	Percentage of Holding
Indian Oil Corporation Limited		**77265200**	**51.89**	77265200	51.89	77265200	51.89
Naftiran Intertrade Company Limited		**22932900**	**15.40**	22932900	15.40	22932900	15.40

Note – 14 : OTHER EQUITY

(₹ in Lakhs)

Sl. No	Particulars		31-Mar-17	31-Mar-16	01-Apr-15
1	**Retained Earnings**				
a)	**General Reserve :**				
	As per last Account	333013.51		333177.31	336571.15
	Add: Opening Balance Adjustment due to Ind-AS	-		-	(1809.21)
	Add: Remeasurement of Defined Benefit Plans	(568.10)		(163.80)	-
	Less: Adjustment of Depreciation (Companies Act, 2013)	-		-	1584.63
		332445.41		333013.51	333177.31
b)	**Surplus (Balance in Statement of Profit and Loss):**				
	Balance Brought Forward from Last Year's Account	(161032.35)		(202066.75)	(202066.75)
	Add: Profit for the Year	105082.34		76154.86	-
	Less: APPROPRIATIONS:			-	-
	Final Dividend	5956.46		-	-
	Bond Redemption Account	5000.00		15000.00	-
	Capital Redemption Account	20000.00		20000.00	-
	Dividend Distribution Tax on Final Dividend	1333.06		120.46	-
	Balance carried forward to next year's account	(88239.53)		(161032.35)	(202066.75)
			244205.88	171981.16	131110.56
2	**Other Reserves**				
a)	**Bond Redemption Reserve Account :**				
	As per last Account	15000.00		-	-
	Add: Transferred from Profit and Loss Account	5000.00		15000.00	-
			20000.00	15000.00	-
b)	**Capital Redemption Reserve :**				
	As per last Account	20000.00		-	-
	Add: Transferred from Profit and Loss Account	20000.00		20000.00	-
			40000.00	20000.00	-
c)	**Securities Premium Account :**				
	As per last Account		**25003.82**	25003.82	25003.82
	TOTAL		**329209.69**	231984.97	156114.38

Note – 15 : LONG-TERM BORROWINGS

(₹ in Lakhs)

Sl. No	Particulars	Note	Non - Current			Current Maturities		
			31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
I.	**SECURED LOANS**							
1	**Bonds:**							
	10000 Nos. of 8.85% Secured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - I	A	-	-	-	-	-	100000.00
	10000 Nos. of 9.65% Secured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - II	B	100000.00	100000.00	100000.00	-	-	-
	Total (Bonds)		**100000.00**	100000.00	100000.00	-	-	100000.00
	Total Secured Loans		**100000.00**	100000.00	100000.00	-	-	100000.00
II.	**UNSECURED LOANS**							
1	**Term Loans:**							
	i) From Banks/Financial Institutions: In Foreign Currency US $ 50 Million (2016: NIL; 2015: NIL)	D	32427.50	-	-	-	-	-
	Total (Term Loans)		**32427.50**	-	-	-	-	-
2	**Loans from related parties:** 100,00,00,000 (2016:100,00,00,000; 2015: NIL) Non-Convertible Cumulative Redeemable Preference Shares of ₹10 each	C	**100000.00**	100000.00	-	-	-	-
3	**Long-term maturities of finance lease obligations from related parties**	E	-	334.25	636.39	**334.25**	302.15	279.63
	Total Unsecured Loans		**132427.50**	100334.25	636.39	**334.25**	302.15	279.63
	TOTAL LONG-TERM BORROWINGS		**232427.50**	200334.25	100636.39	**334.25**	302.15	100279.63

SYMBOL OF VIBRANT GROWTH

Note – 15 : LONG-TERM BORROWINGS

Sl. No	Particulars	Allotment Date	Coupon Rate	Effective interest rate	Date of Redemption	Security Details
A	Secured Redeemable Non Convertible Debentures (Series-I)	18.02.2013	8.85%	8.85%	Principal repayable at the end of 5 years or on the exercise of put/call option either in whole or in part at the end of 3 years from 18.02.2013 being date of allotment. Interest payable annually on 18th Feb at the rate of 8.85% p.a.Call option exercised and redeemed on 18.02.2016.	First Charge on specific Plant & Machinery alongwith the underlying land together with all the building and structures standing on the said land to the extent of ₹100000 Lakhs.
B	Secured Redeemable Non Convertible Debentures (Series-II)	10.01.2014	9.65%	9.65%	Principal repayable at the end of 5 years from 10.01.2014 being date of allotment. Interest payable annually on 10th Jan at the rate of 9.65% p.a.	First Charge on specific Plant & Machinery along with the underlying land together with all the building and structures standing on the said land to the extent of ₹ 100000 Lakhs.

Unsecured Loans:

C. Non Convertible Cumulative Redeemable Preference Shares

Preference Share is treated as financial liability as per Ind AS 32, as these are redeemable on maturity for a fixed determinable amount and carry fixed rate of dividend.

(i) Rights, preferences and restrictions attached to Preference shares:

The Company has one class of preference shares i.e. Non-Convertible Cumulative Redeemable Preference Shares (NCCRP Shares) of ₹ 10 per share.

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

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

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

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

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

(ii) Preference Shares held by Holding Company

(₹ in Lakhs)

	31-Mar-17	31-Mar-16	01-Apr-15
1,00,00,00,000 Non-Convertible Cumulative Redeemable Preference Shares of ₹10/- each (100%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.	100000	100000	-

(iii) Details of Preference shareholders holding more than 5% shares

Name of Preference Shareholder	31-Mar-17		31-Mar-16		01-Apr-15	
	Number of Preference shares held	Percentage of Holding	Number of Preference shares held	Percentage of Holding	Number of Preference shares held	Percentage of Holding
Indian Oil Corporation Limited	1000000000	100	1000000000	100	-	-

(iv) Pending the approval of shareholders, 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.

D. Foreign Currency Loan

Loan Repayment Schedule for Foreign Currency Loan (Unsecured)-Term Loans

Sl. No	Particulars	Date of Redemption	Repayable Amount	Interest Rate
1	Term Loan from SBI	18.09.2019	US $ 50 Million	3 months LIBOR + 125 bps (Interest reset on quarterly basis) - Interest payable on monthly basis

E. Finance Lease Obligation

The Finance Lease Obligation is against assets acquired under Finance Lease from IOT Infrastructure and Energy Services Limited. The carrying value of the same is ₹ 1646.96 Lakhs(2016: ₹ 1733.92 Lakhs; 2015: ₹1820.87 Lakhs). Refer Note - 2 & 33(B).

SYMBOL OF VIBRANT GROWTH

Note – 16 : OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Sl. No	Particulars	Note	Non - Current			Current Maturities		
			31-Mar-17	31-Mar-16	01-Apr-15	**31-Mar-17**	31-Mar-16	01-Apr-15
1	Current maturities of long-term debt (Refer Note 15)		-	-	-	-	-	100000.00
2	Current maturities of finance lease obligations		-	-	-	**334.25**	302.15	279.63
3	Interest accrued but not due on loans (including Preference Shares)	A	-	-	-	**10210.49**	6328.70	3243.75
4	Liability for Capital Expenditure		-	-	-	**18449.32**	15020.14	8707.39
5	Liability to Trusts and Other Funds		-	-	-	**543.31**	3671.86	1298.18
6	Employee Liabilities for Expenses		-	-	-	**7990.49**	4115.68	3558.78
7	Derivative instruments at fair value through profit or loss		-	-	-	-	346.51	-
8	Security Deposits		-	-	-	**3722.54**	2893.84	2227.47
9	Liability for Dividend	B	-	-	-	**1148.83**	3388.87	3501.59
10	Other Financial Liabilites		-	-	-	**909.47**	234.91	1532.87
	TOTAL		**-**	**-**	**-**	**43308.70**	**36302.66**	**124349.66**

A Pending the approval of shareholders, 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.

B There are no amounts due for payment to the Investor Education and Protection Fund as at the year end. Balance as at 31st March 2017 includes ₹ 917.32 lakhs (2016: ₹ 3210.61 Lakhs; 2015 : ₹3210.61 Lakhs) of unpaid dividend to Naftiran Inter trade company Limited (NICO) for the financial year ending 2016 which could not be remitted due to restrictions in banking channels arising out of sanctions imposed by US / European Union against Iran

Note – 17 : PROVISIONS

(₹ in Lakhs)

Sl. No	Particulars	Note	Non - Current			Current		
			31-Mar-17	31-Mar-16	01-Apr-15	**31-Mar-17**	31-Mar-16	01-Apr-15
1	Provision for Employee Benefits		**13314.97**	5097.69	4561.45	**12553.06**	7402.29	9321.54
2	Contingencies for probable obligations	**A**	-	-	-	**1105.61**	-	-
	TOTAL		**13314.97**	5097.69	4561.45	**13658.67**	7402.29	9321.54

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

	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year	Closing Balance
Sales Tax	-	1105.61	-	-	1105.61
TOTAL	-	**1105.61**	-	-	**1105.61**
Previous Year	-	-	-	-	-

Note – 18 : OTHER LIABILITIES

(₹ in Lakhs)

Sl. No	Particulars	Non - Current			Current		
			31-Mar-17	31-Mar-16	01-Apr-15	**31-Mar-17**	31-Mar-16	01-Apr-15
1	**Revenue Grants - EPCG**							
	As per last Account	3087.23		646.96	646.96			
	Add: Received during the year	1173.14		2448.00	-			
	Less: Amortised during the year	(222.76)		(7.73)	-			
	Liability towards Government Grants		**4037.61**	3087.23	646.96	-	-	-
2	Statutory Liabilities		-	-	-	**24201.57**	40569.33	28646.71
3	Advances from Customers		-	-	-	**1264.11**	1318.51	1805.82
	TOTAL		**4037.61**	3087.23	646.96	**25465.68**	41887.84	30452.53

SYMBOL OF VIBRANT GROWTH

Note – 19 : SHORT-TERM BORROWINGS

(₹ in Lakhs)

Sl. No	Particulars	Note		31-Mar-17	31-Mar-16	01-Apr-15
I.	**SECURED LOANS**					
1	**Loans Repayable on Demand From Banks:**					
	a) In Rupees	**A**				
	i) Working Capital Demand Loan		-		-	75500.00
	Sub-Total		-		-	75500.00
	ii) Cash Credit - SBI		444.32		103.68	451.04
	Sub-Total		444.32		103.68	451.04
	b) In Foreign Currency					
	i) Foreign Currency Loans (Buyers' Credit) (2017: NIL; 2016: NIL; 2015: US $ 117million)		-		-	73130.85
	Sub-Total		-		-	73130.85
	Total (Loans from Banks)			**444.32**	103.68	149081.89
	Total Secured Loans			**444.32**	103.68	149081.89
II.	**UNSECURED LOANS**					
1	**Loans Repayable on Demand**					
	i) From Banks/Financial Institutions:					
	In Foreign Currency					
	Packing credit foreign currency loan (2017: NIL; 2016: US $ 96 million; 2015: US $ 111 million)		-		63609.60	69380.55
	Buyers' Credit (2017: NIL; 2016: US $ 35 million; 2015: US $ 98 million)		-		23191.00	61254.90
	Sub-Total		-		86800.60	130635.45
	In Rupees					
	i) Working Capital Demand Loan		4400.00			
	ii) Book Overdraft		-		143.97	188.60
	Sub-Total		4400.00		143.97	188.60
	ii) From Others					
	Commercial Paper		312500.00		70000.00	60000.00
	Total			**316900.00**	156944.57	190824.05
2	**Other Loans**			-	99000.00	-
	Total Unsecured Loans			**316900.00**	255944.57	190824.05
	TOTAL BORROWINGS - CURRENT			**317344.32**	256048.25	339905.94

Notes:

A Secured against hypothecation of Trade receivables & Inventories to the extent of ₹418400 Lakhs with State Bank of India. (2016: ₹ 418400 Lakhs; 2015: ₹ 418400 Lakhs).
At 31 March 2017, the Company had available ₹ 416796.72 Lakhs (2016: ₹ 412791.55 Lakhs; 2015: ₹ 269318.11 Lakhs) of undrawn Credit facilities.

Note – 20 : TRADE PAYABLES

(₹ in Lakhs)

Particulars	Note	31-Mar-17	31-Mar-16	01-Apr-15
Sundry Creditors:				
Dues to Micro and Small Enterprises	A	**8.81**	69.58	7.80
Dues to Related Parties	B	**114989.83**	175947.56	198183.32
Dues to Others		**49387.00**	70846.90	123451.81
TOTAL		**164385.64**	246864.04	321642.93

A With regard to disclosure requirements under the provisions of section 22 of Micro, Small and Medium Enterprises Development Act, 2006, the company has carried out the same based on the confirmation received from its suppliers.

No interest amount remains unpaid to such Micro and Small enterprises as on 31st March 2017 and no payments were made to such enterprises beyond the "appointed day" during the year. Also, the company has not paid any interest in terms of section 16 of the above mentioned act or otherwise.

B Represents dues to Indian Oil Corporation Ltd., the holding company ₹ 114882.02 Lakhs (2016: ₹175764.32 Lakhs; 2015: ₹198087.31 Lakhs) and IOT Infrastructure and Energy Services Limited ₹ 107.81 Lakhs (2016: ₹183.24 Lakhs; 2015: ₹96.01 Lakhs)

Note – 21 : REVENUE FROM OPERATIONS

(₹ in Lakhs)

Sl. No.	Particulars	Note		31-Mar-17	31-Mar-16
1	Sales (Net of Discounts)	A	4058576.75		3495326.24
2	Other Operating Revenues (Note "21.1")		2161.51		1717.48
				4060738.26	3497043.72
	TOTAL			**4060738.26**	3497043.72

A In line with the scheme formulated by the Petroleum Planning and Analysis Cell (PPAC) under the Ministry of Petroleum and Natural Gas, the company has received an aggregate discount of ₹ Nil (2016: ₹ 17322.40 Lakhs) from Oil and Natural Gas Corporation Limited on Crude Oil purchase and has passed on the same as discounts on products sold to Indian Oil Corporation Limited, the holding company.

Note – 21.1 : OTHER OPERATING REVENUES

(₹ in Lakhs)

Sl. No.	Particulars	31-Mar-17	31-Mar-16
1	Sale of Power	**151.06**	138.21
2	Unclaimed / Unspent liabilities written back	**415.19**	382.68
3	Recoveries from Employees	**384.80**	404.20
4	Sale of Scrap	**987.70**	784.66
5	Amortisation of Government Grants	**222.76**	7.73
	TOTAL	**2161.51**	1717.48

Note – 22 : OTHER INCOME

(₹ in Lakhs)

Sl. No.	Particulars	Note		31-Mar-17	31-Mar-16
1	Interest on :	(i)			
	a) Loans and Advances		804.72		503.79
	b) Short Term Deposits with Banks		36.42		12.31
	c) Customers Outstandings		287.89		540.69
	d) Others		443.77		540.17
				1572.80	1596.96
2	Profit on sale and disposal of Assets (Net)			-	467.80
3	Exchange Fluctuations (Net)			**972.10**	-
4	Other Non Operating Income	**A**		**868.37**	983.38
	TOTAL			**3413.27**	3048.14

A Includes Income from Petroleum India International ₹ 93.58 Lakhs (2016: ₹ 78.55 Lakhs)

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

(₹ in Lakhs)

	31-Mar-17	31-Mar-16
In relation to financial assets classified at amortised cost	**1572.80**	1596.96

Note – 23 : COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Note	31-Mar-17	31-Mar-16
Raw Material Consumed :	**A**		
Opening Balance		**154535.28**	193872.98
Add :			
Purchases		**2438971.03**	2236066.36
Sub Total		**2593506.31**	2429939.34
Less: Closing Stock		**167927.93**	154535.28
TOTAL (Net)		**2425578.38**	2275404.06

A Refer Note 21(A) - Revenue from Operations

Note – 24 : CHANGES IN INVENTORY

(₹ in Lakhs)

Particulars		31-Mar-17	31-Mar-16
Closing Stock			
a) Finished Products	99149.79		114570.71
b) Stock-in-process	32539.95		27673.08
		131689.74	142243.79
Less:			
Opening Stock			
a) Finished Products	114570.71		117161.40
b) Stock-in-process	27673.08		45925.32
		142243.79	163086.72
NET INCREASE/(DECREASE)		**(10554.05)**	**(20842.93)**

Note – 25 : EMPLOYEE BENEFIT EXPENSE

(₹ in Lakhs)

Particulars		31-Mar-17	31-Mar-16
Employee Benefit Expense:			
(a) Salaries, Wages, Bonus etc	31483.61		27735.15
(b) Contribution to Provident & Other Funds	10980.55		4833.54
(c) Staff Welfare Expenses	8824.20		3131.62
TOTAL (Net)		**51288.36**	35700.31

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

B Above excludes ₹1311.05 lakhs (2016: ₹1030.39 lakhs) included in capital work in progress (Note - 2.1)

C Includes estimated provision on best estimate basis of ₹ 11000 lakhs (inclusive of one time impact on changes/impact on retirement benefits), towards pay revision due from 01.01.2017 pending finalisation.

Note – 26 : FINANCE COSTS

(₹ in Lakhs)

Sl. No.	Particulars	Note		31-Mar-17	31-Mar-16
1	**Interest Payments on Financial items:**	(i)			
	I. Working Capital Loans				
	a) Short term Borrowings		16599.60		15029.30
	b) Debentures		-		9440.27
				16599.60	24469.57
	II. Unwinding of Finance cost			**56.99**	82.45
	III. Interest expense for Preference Shares (including Dividend Distribution Tax) treated as financial liabilities	**A**		**8003.78**	4154.97
2	Interest Payments on Non Financial items			**578.28**	295.24
3	Other Borrowing Cost			**34.99**	26.98
4	Exchange differences regarded as adjustment to borrowing cost			**2004.57**	6143.05
	TOTAL	**B**		**27278.21**	35172.26
A	Refer Note 16 A				
B	Net of interest capitalised as part of CWIP			**10046.42**	**8067.81**

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

(₹ in Lakhs)

	31-Mar-17	31-Mar-16
In relation to financial liabilities measured at amortised cost	**24660.37**	28706.99

Note – 27 : OTHER EXPENSES

(₹ in Lakhs)

Sl. No	Particulars		31-Mar-17	31-Mar-16
1	Consumption:			
	a) Stores, Spares and Consumables	6298.39		6087.98
	b) Packages & Drum Sheets	102.23		106.64
			6400.62	6194.62
2	Power & Fuel	201973.09		194281.58
	Less : Fuel from own production	196966.25		189543.16
			5006.84	4738.42
3	Irrecoverable taxes - Central Sales Tax		**16903.83**	12984.70
4	Repairs and Maintenance			
	i) Plant & Machinery	16090.13		16507.35
	ii) Buildings	364.72		287.95
	iii) Others	3923.23		3364.09
			20378.08	20159.39
5	Freight, Transportation Charges and Demurrage		**6401.22**	10755.79
6	Office Administration, Selling and Other Expenses (Note "27.1")		**17199.06**	33826.98
	TOTAL		**72289.65**	88659.90
	Less: Company's use of own products		**282.69**	76.32
	TOTAL (Net)		**72006.96**	88583.58

Note – 27.1 : OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES

(₹ in Lakhs)

Sl. No	Particulars	Note	31-Mar-17	31-Mar-16
1	Rent		**2063.92**	2521.47
2	Insurance		**1512.34**	2203.90
3	Rates & Taxes		**179.89**	129.60
4	Payment to auditors as:			
	a) For Statutory Audit	16.03		13.00
	b) For Limited Review	8.08		4.50
	c) For Taxation Matters	5.04		3.50
	d) Other Services(for issuing other certificates etc.)	1.40		1.40
			30.55	22.40
5	Travelling & Conveyance		**2243.48**	2319.00
6	Communication Expenses		**190.21**	207.03
7	Printing & Stationery		**107.51**	90.06
8	Electricity & Water		**78.03**	102.42
9	Bank Charges		**106.55**	115.93
10	Bad Debts, Advances & Claims written off		**-**	178.99
11	Provision/Loss on Assets sold or written off (Net)		**351.13**	-
12	Technical Assistance Fees		**665.39**	441.22
13	Exchange Fluctuation (net)		**-**	17850.05
14	Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores		**1541.30**	1258.75
15	Security Force Expenses		**2487.86**	2194.69
16	Terminalling Charges		**2136.63**	2103.83
17	Provision for Probable Contingencies		**1105.61**	-
18	Expenses on Sustainable Development Initiatives/ CSR Activities		**187.51**	133.02
19	Miscellaneous Expenses	**A**	**2211.15**	1954.62
	TOTAL		**17199.06**	33826.98

A Miscellaneous Expenses Includes:

Expenditure on Public Relations and Publicity amounting to ₹372.6 lakhs (2016 : ₹281.24 lakhs) . The ratio of annual expenditure on Public Relations and Publicity to the annual turnover (inclusive of excise duty) is 0.00009:1 (2016: 0.00008:1).

Entertainment Expenses ₹29.43 lakhs (2016: ₹21.22 lakhs).

Note – 28 : OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

Sl. No	Particulars		31-Mar-17	31-Mar-16
	A. Items that will not be reclassified to profit or loss:			
1	Remeasurement of Defined Benefit Plans	(869.24)		(157.47)
2	Share of Joint Ventures and associates in Remeasurement of Defined Benefit Plans	0.31		(6.33)
			(868.93)	(163.80)
	B. Income Tax relating to items that will not be reclassified to profit or loss:			
	Remeasurement of Defined Benefit Plans		**300.83**	
	TOTAL		**(568.10)**	(163.80)

Note – 29 : DISTRIBUTIONS MADE AND PROPOSED

(₹ in Lakhs)

Particulars	31-Mar-17	31-Mar-16
Cash dividends on Equity shares declared and paid:		
Final dividend for year ended 31st March2016:		
₹4 per share; (31st March 2015: NIL)	**5956.46**	-
DDT on dividend paid	**1212.60**	-
	7169.06	-
Proposed dividends on Equity shares:		
Final dividend for year ended 31st March 2017:		
₹ 21 per share (31st March 2016: ₹4 per share)	**31271.39**	5956.46
DDT on proposed dividend	**6366.12**	1212.60
	37637.51	7169.06

Proposed dividend on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability (including DDT thereon) as at 31st March 2017

Refer Note 16 A for Preference dividend

Note – 30 : EARNINGS PER SHARE (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31-Mar-17	31-Mar-16
Profit attributable to equity holders (₹ lakhs)	**105082.34**	76154.86
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	**148911400**	148911400
Earning Per Share (Basic and Diluted) (₹)	**70.57**	51.14
Face value per share (₹)	**10**	10

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

(₹ in Lakhs)

Name of entity	Place of business	% of ownership	Relationship	Accounting method	Carrying Amount
Indian Additives Limited	India	50%	Joint Venture	Equity Accounting	13989.53
National Aromatics and Petrochemical Corporation Limited	India	50%	Joint Venture	Equity Accounting	Nil

Summarised balance sheet of the Indian Additives Limited: **(₹ in Lakhs)**

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Current assets	**27805.32**	26159.21	20444.96
Current liabilities	**6056.50**	6768.10	4302.43
Non-current assets	**9535.07**	7237.62	6099.96
Non-current liabilities	**3304.83**	2752.73	2052.02
Net assets	**27979.06**	23876.00	20190.47
Proportion of the company's ownership on the above	**50%**	50%	50%
Carrying amount of the investment	**13989.53**	11938.00	10095.20
The above amounts of assets and liabilities include the followings			
Cash and cash equivalents	**1109.54**	3215.18	1407.05
Current financial liabilities (excluding trade and other payables and provisions)	**351.26**	393.81	269.25
Non-current financial liabilities (excluding trade and other payables and provisions)	**-**	-	-

Summarised statement of profit and loss of the Indian Additives Limited: **(₹ in Lakhs)**

Particulars	31-Mar-17	31-Mar-16
Revenue From Operations	**64344.61**	65144.95
Other Income	**1201.78**	573.62
Cost of Material Consumed	**37267.18**	35871.64
Purchases of Stock in trade	**3695.81**	3715.76
Changes in inventories of finished goods, stock-in-trade and work in progress	**(60.63)**	2000.12
Excise duty on sale of goods	**7118.04**	7210.27
Employee Benefits Expense	**2213.06**	2104.89
Finance Costs	**54.49**	83.44
Depreciation and amortization expense		
a) Tangible Assets	**639.46**	595.77
b) Intangible Assets	**72.82**	55.85
Other Expenses	**5513.17**	5381.44
Profit before exceptional items and tax	**9032.99**	8699.39
Exceptional Items	**-**	-
Profit/(loss) before tax	**9032.99**	8699.39
Tax expense:		
Current Tax	**3444.99**	3664.50
Deferred Tax	**61.25**	(87.60)
Profit (Loss) for the period	**5526.75**	5122.49
Other Comprehensive Income	**0.62**	(12.65)
Total comprehensive income	**5526.13**	5135.14
Dividend received	**591.70**	591.70

Commitments and contingent liabilities in respect of Joint Venture **(₹ in Lakhs)**

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Commitments – Joint Venture			
Property, Plant and Equipment	**3118.63**	99.36	149.17
Civil Work relating to Project	**1184.56**	-	-
Contingent liabilities – Joint Venture			
Income Tax Matters	**597.84**	641.87	641.87
Excise Duty Matters	**90.79**	90.79	90.79
Sales Tax Matters	**142.40**	142.40	134.96
Service Tax Matters	**16.70**	16.70	211.41

Individually immaterial Joint Ventures:

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
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	NA
Other comprehensive income	**NA**	NA	NA
Total comprehensive income	**NA**	NA	NA
Share of profits from Joint Venture	**NA**	NA	NA

A. The Investment in JV have been fully provided for diminution in value of investments. The JV is not Operational
The company has decided to exit from the JV and the process in this regard is already initiated
NA - Not Applicable

Note – 32 EMPLOYEE BENEFITS

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

A. Defined Contribution Plans- General Description

Pension Scheme:

During the year, the company has recognised ₹ 2286.41 Lakhs (2016: ₹ 2108.82 Lakhs) towards Defined Contributory Employees Pension Scheme in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident & Other Funds in Note - 25/ Construction period expenses in Note-2.1)

B. Defined Benefit Plans- General Description

1. Provident Fund:

The Company's contribution to the Provident Fund is remitted to separate provident fund trust established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company. The Provident Funds maintained by the PF Trust in respect of which actuarial valuation is carried out does not have any deficit as on 31st March 2017.

During the year, the company has recognised ₹ 234.04 Lakhs (2016: ₹ 227.88 Lakhs) as contribution to EPS-95 in the Statment of Profit and Loss/ CWIP (included in Contribution to Provident and Other Funds in Note - 25/ Construction period expenses in Note-2.1)

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 ₹ 10 Lakhs at the time of separation from the company.

3. Post Retirement Medical Scheme (PRMS):

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

C. Other Long-Term Employee Benefits - General Description

1. Leave Encashment:

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

2. Long Service Award:

On completion of specified period of service with the company and also at the time of retirement, employees are rewarded with Prepaid Card as per eligibility, based on the duration of service completed.

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

(Figures presented in italics relate to the previous year)

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

(₹ in Lakhs)

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Defined Obligation at the beginning	**37,257.61** *32,497.10*	**7,515.11** *7,334.89*	**5,036.99** *4,339.70*
Current Service Cost	**1,706.50** *1,607.93*	**66.50** *52.40*	**97.28** *83.94*
Interest Cost	**3,261.32** *2,929.12*	**600.46** *579.46*	**397.92** *329.15*
Benefits paid	**(3,147.65)** *(2,269.46)*	**(413.33)** *(355.01)*	**(246.22)** *(239.76)*
Employee Contribution	**2,676.27** *2,491.35*	- -	- -
Transferred from other company	**22.92** *1.57*	- -	- -
Actuarial (gain)/ loss on obligations	- -	**228.78** *(96.63)*	**680.43** *523.96*
Defined Benefit Obligation at the end of the year	**41,776.98** *37,257.61*	**7,997.52** *7,515.11*	**5,966.40** *5,036.99*

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

(₹ in Lakhs)

	Provident Fund	Gratuity
	Funded	Funded
Fair Value of Plan Assets at the beginning of the year	**37,958.29** *33,058.17*	**7,777.52** *6,509.68*
Expected return on plan assets	**3,261.32** *2,929.12*	**39.97** *269.86*
Contribution by employer	**4,382.77** *4,099.29*	 *836.55*
Contribution by employees	**-** *-*	**-** *-*
Benefit paid	**(3,147.65)** *(2,269.46)*	**(411.61)** *(352.83)*
Transferred from other company	**22.92** *1.57*	**-** *-*
Interest Income	**-** *-*	**621.42** *514.26*
Actuarial gain / (losses)	**308.54** *139.61*	**-** *-*
Fair value of plan assets at the end of the year	**42,786.20** *37,958.29*	**8,027.30** *7,777.52*

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

(₹ in Lakhs)

	Provident Fund	Gratuity
	Funded	Funded
Fair Value of Plan Assets at the end of the year	**42,786.20** *37,958.29*	**8,027.30** *7,777.52*
Defined Benefit Obligation at the end of the year	**41,776.98** *37,257.61*	**7,997.52** *7,515.11*
Amount recognised in the Balance Sheet	**-** *-*	**(29.78)** *(262.41)*
Amount not recognised in the Balance Sheet	**(1,009.22)** *(700.67)*	**-** *-*

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

(₹ in Lakhs)

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Current Service Cost	**1,706.50** *1,607.93*	**66.50** *52.40*	**97.28** *83.94*
Interest Cost	**3,261.32** *2,929.12*	**600.46** *579.46*	**397.92** *329.15*
Expected (return) / loss on plan asset	**(3,261.32)** *(2,929.12)*	**(621.42)** *(269.86)*	**-** *-*
Contribution by Employees	**-** *-*	**-** *-*	**-** *-*
Expenses for the year	**1,706.50** *1,607.93*	**45.54** *362.00*	**495.20** *413.09*

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

(₹ in Lakhs)

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Actuarial (gain)/ loss on Obligations	**-** *-*	**228.78** *(96.63)*	**680.43** *523.96*
Actuarial (gain)/ loss on Plan Assets	**308.54** *139.61*	**(39.97)** *(269.86)*	**-** *-*
Net Loss / (Gain) recognized in OCI	**-** *-*	**188.81** *(366.49)*	**680.43** *523.96*
Net Loss / (Gain) not recognized in P&L / OCI	**(308.54)** *(139.61)*	**-** *-*	**-** *-*

(vi) Major Actuarial Assumptions

(₹ in Lakhs)

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Discount rate	**7.26%** *7.99%*	**7.99%** *7.90%*	***7.45%*** *7.90%*
Expected return on plan assets	**8.65%** *8.80%*	**-** *-*	**-** *-*
Salary escalation	**-** *-*	**8.00%** *8.00%*	**-** *-*
Inflation	**-** *-*	**-** *-*	**7.00%** *7.00%*

The estimate of future salary increases considered in actuarial valuation takes 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 Lakhs)

Loss / (Gain) for:	Gratuity	PRMS
	Funded	Non-funded
Change in Discounting Rate		
Increase by 0.5%	**(237.65)** *(224.95)*	**(467.43)** *(251.46)*
Decrease by 0.5%	**252.55** *238.54*	**532.00** *278.60*
Change in Salary Escalation		
Increase by 0.5%	**25.89** *23.92*	**-** *-*
Decrease by 0.5%	**(27.55)** *(27.22)*	**-** *-*
Change in Inflation Rate		
Increase by 0.5%	**-** *-*	**535.65** *183.34*
Decrease by 0.5%	**-** *-*	**(474.57)** *(167.91)*

(viii) Investment details:

	Provident Fund	Gratuity
	Funded	Funded
Investment with Insurer	**-** *-*	***100.00%*** *100.00%*
Self managed investments	**100.00%** *100.00%*	**-** *-*

Details of the investment pattern for the above mentioned funded obligations is as under:

	Provident Fund	Gratuity
	Funded	Funded
Government of India securities	**36.04%** *35.63%*	**48.19%** *47.44%*
Investment in Equity Shares	**2.74%** *1.23%*	**8.05%** *9.42%*
Investment in Debentures	***56.08%*** *58.11%*	***38.93%*** *33.86%*
Other approved investments (incl. Cash)	**5.14%** *5.03%*	**4.83%** *9.28%*

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

(₹ in Lakhs)

Cash Flow Projection from the Fund/Employer	Gratuity	PRMS	Total
	Funded	Non-Funded	
Within next 12 Months	**792.20** *679.63*	**136.74** *277.41*	**928.94** *957.04*
Between 2 to 5 Years	**3445.12** *3096.66*	**749.45** *1,333.32*	**4,194.57** *4,429.98*
Between 6 to 10 Years	**3986.94** *4,264.09*	**1,589.97** *2,410.15*	**5,576.91** *6,674.24*

Cash Flow Projection from the Fund/Employer	Gratuity	PRMS
	Funded	Non-Funded
Weighted Average Duration of Defined Benefit Obligation	**12 Years** *12 Years*	**16 Years** *11.40 Years*

Note – 33 : COMMITMENTS AND CONTINGENCIES

A. Leases

Operating lease — as lessee

The company has taken certain assets (including office/residential premises/Land) on Operating Lease which are cancellable by giving appropriate notice as per the respective agreements. During the year ₹2063.92 Lakhs (2016: ₹2521.47 Lakhs) had been paid towards cancellable Operating Lease.

B Disclosure under Finance Lease as Lessee:

The company has entered into BOOT arrangement with IOT Infrastructure & Energy Services Limited in respect of LPG Bottling facilities for a period of 10 years. Lessor will transfer ownership to the company after 10 years at ₹ Nil Value

I Buildings taken on finance lease as lessee:

(₹ in Lakhs)

	31-Mar-17	31-Mar-16	01-Apr-15
(i) Minimum lease payments			
- Within one year	**160.75**	158.37	159.35
- After one year but not more than five years	**-**	160.75	319.12
- More than five years	**-**	-	-
Total	**160.75**	319.12	478.47
(ii) Present value of minimum lease payments			
- Within one year	**147.69**	145.50	146.40
- After one year but not more than five years	**-**	135.69	258.36
- More than five years	**-**	-	
Total	**147.69**	281.19	404.76
Add: Future finance charges	**13.06**	37.93	73.71
Total	**160.75**	319.12	478.47

(₹ in Lakhs)

II Plant & Equipments taken on finance lease as lessee:	**31-Mar-17**	31-Mar-16	01-Apr-15
(i) Minimum lease payments			
- Within one year	**203.05**	200.05	201.28
- After one year but not more than five years	**-**	203.05	403.10
- More than five years	**-**	-	-
Total	**203.05**	403.10	604.38
(ii) Present value of minimum lease payments			
- Within one year	**186.56**	183.80	184.93
- After one year but not more than five years	**-**	171.40	326.34
- More than five years	**-**	-	-
Total	**186.56**	355.20	511.27
Add: Future finance charges	**16.49**	47.90	93.11
Total	**203.05**	403.10	604.38
The Net Carrying amount of the assets acquired under Finance Lease included in Note – 2.			
Buildings and Plant & Equipment	**1646.96**	1733.92	1820.87
	1646.96	1733.92	1820.87

C Contingent Liabilities

Contingent Liabilities amounting to ₹65184.02 Lakhs (2016: ₹63045.4 Lakhs; 2015: ₹38669.59 Lakhs) are as under:

(i) ₹539.66 Lakhs (2016: ₹514.28 Lakhs; 2015: ₹619.54 Lakhs) being the demands raised by the Central Excise /Customs/ Service Tax Authorities including interest of ₹189.74 Lakhs (2016: ₹182.76 Lakhs; 2015: ₹257.02 Lakhs).

(ii) ₹50592.22 Lakhs (2016: ₹48632.59 Lakhs; 2015: ₹27028.27 Lakhs) being the demands raised by the VAT/ Sales Tax Authorities and includes no interest (2016: Nil, 2015: Nil).

(iii) ₹10002.51 Lakhs (2016: ₹9414.81 Lakhs; 2015: ₹7075.98 Lakhs) in respect of Income Tax demands including interest of ₹2582.58 Lakhs (2016: ₹1994.87 Lakhs; 2015: ₹795.08 Lakhs).

(iv) ₹4049.63 Lakhs (2016: ₹4483.72 Lakhs; 2015: ₹3945.80 Lakhs) including ₹2241.64 Lakhs (2016: ₹2219.59 Lakhs; 2015: ₹1713.94 Lakhs) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹827.75 Lakhs (2016: ₹784.43 Lakhs; 2015: ₹692.78 Lakhs).

The Company has not considered those disputed demands/claims as contingent liabilities, for which, the outflow of resources has been considered as remote.

D Commitments

(i) Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account not provided for ₹82208.01 Lakhs (2016: ₹154579.73 Lakhs; 2015: ₹249455.02 Lakhs).

(ii) Other Commitments

The Company has an export obligation to the extent of ₹59057.65 Lakhs (2016: ₹45190.62 Lakhs; 2015: ₹12881.18 Lakhs) on account of concessional rate of customs duty availed under EPCG license scheme on import of capital goods.

Please refer Note 31 for contingent liabilities and commitments with respect to joint venture.

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 Lakhs)**

Particulars	31-Mar-2017	31-Mar-2016
• Sale of Product and Services	**3682449.28**	3135472.14
• Dividend on Preference Shares	**6650.00**	3452.19
• Dividend on Equity Shares	**3085.62**	-
• Sale of Scrap	**21.30**	65.73
• Sale of Canteen Coupons	**4.14**	3.65
• EDP Maintenance	**253.53**	423.90
• Other Non operating Income	**80.87**	1812.09
• Purchase of Raw Material	**49668.26**	16405.22
• Purchase of Finished Products	**15957.40**	29268.06
• Purchase of Stores & Spares	**397.11**	372.84
• Canalising commission	**250.00**	250.00
• Freight, Transportation and Demurrage	**1036.51**	1361.89
• Rental Expenditure	**350.31**	398.16
• Creation of capital facilities by IOCL	**568.02**	184.17
• Creation of capital facilities to IOCL	**800.00**	400.00
• Sale of Fixed Asset	-	779.86
• Issue of Preference Shares	-	100000.00
• Outstanding Receivables	**89385.37**	61487.79
• Outstanding payables	**214882.02**	275764.32

B. Details of Joint Ventures

i) Indian Additives Limited

(₹ in Lakhs)

Particulars	31-Mar-2017	31-Mar-2016
• Investment	**1183.40**	1183.40
• Sale of Product	**4348.82**	4506.45
• Rental income	**47.91**	46.51
• Dividend received	**591.70**	591.70
• Outstanding Receivables	**393.85**	485.25

ii) National Aromatics & Petrochemicals Corporation Limited

(₹ in Lakhs)

Particulars	31-Mar-2017	31-Mar-2016
• Investments in Joint Venture Entities / Associates*	**2.50**	2.50

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

C. Entities over which KMP has significant influence

i) CPCL Educational Trust

(₹ in Lakhs)

Particulars	31-Mar-2017	31-Mar-2016
• CSR Expenses	**42.50**	-
• Repayment of Loan by Trust	**25.00**	-
• Interest	**2.14**	2.51
• Outstanding Receivables	**-**	29.79

D. Associates of Holding Company

i) IOT Infrastructure & Energy Services Limited

(₹ in Lakhs)

Particulars	31-Mar-2017	31-Mar-2016
• Terminalling/Bottling Charges	**2969.01**	2669.47
• Outstanding payable	**107.81**	183.24

E.Jointly controlled operations

i) Petroleum India International

(₹ in Lakhs)

Particulars	31-Mar-2017	31-Mar-2016
• Surplus/Share of Profit	**93.58**	78.55
• Outstanding Receivables	**141.83**	228.65

F. Other Government related entities where significant transactions were carried out

i) Details of Entities

1) Oil & Natural Gas Corporation Limited
2) Madras Fertilizers Limited
3) GAIL (India) Limited
4) Bharat Petroleum Corporation Limited
5) Hindustan Petroleum Corporation Limited
6) Shipping Corporation of India Limited
7) Engineers India Limited
8) Bharat Heavy Electricals Limited
9) Bridge & Roof Co. (India) Ltd

ii) The following transactions were carried out with Government related entities in the ordinary course of business:

(₹ in Lakhs)

	31-Mar-2017	31-Mar-2016
• Sale of Product and Services	**303912.70**	281345.62
• Purchase of Product	**34466.48**	32770.69
• Purchase of Raw Materials	**410471.50**	534308.73
• Trade Receivables	**13336.75**	13094.52
• Trade payables	**42399.36**	62773.06

2) Key Managerial Personnel

A. Whole Time Directors / Company Secretary

1) Shri B.Ashok
2) Shri Sanjiv Singh
3) Shri Gautam Roy
4) Shri S.Venkataramana
5) Shri U.Venkataramana
6) Shri S.Krishna Prasad
7) Shri Yasin Rezazadeh (Upto 23.01.2017)
8) Shri Ali Zamani (Upto 23.02.2017)
9) Shri Mohammad Bagher Dakhili (w.e.f 23.01.2017)
10) Shri Farzad Bahrami (w.e.f 23.02.2017)
11) Shri P.Shankar

B. Independent / Government Nominee Directors

1) Shri K.M.Mahesh
2) Shri Mrutunjay Sahoo (w.e.f 23.02.2017)
3) Dr. P.B.Lohiya (w.e.f 23.02.2017)
4) Shri G.Ramaswamy (Upto 08.10.2016)

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

For the Year ended 31-Mar-2017

(₹ in Lakhs)

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Other Income	Outstanding loans/ advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri Gautam Roy	40.90	6.58	-	-	47.48	-	-
2) Shri S.Venkataramana	31.49	10.37	-	-	41.86	-	-
3) Shri U.Venkataramana	31.66	6.12	-	-	37.78	-	3.45
4) Shri S.Krishna Prasad	40.13	6.11	-	-	46.24	-	-
5) Shri P.Shankar	31.95	8.92	-	-	40.87	-	5.25
B. Independent / Government Nominee Directors#							
1) Shri Mrutunjay Sahoo	0.20	-	-	-	0.20	-	-
2) Dr. P.B.Lohiya	0.20	-	-	-	0.20	-	-
3) Shri G.Ramaswamy	2.00	-	-	-	2.00	-	-
TOTAL	**178.53**	**38.10**	**-**	**-**	**216.63**	**-**	**8.70**

#Sitting fees paid to Independent Directors

For the Year ended 31-Mar-2016

(₹ in Lakhs)

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Other Income	Outstanding loans/ advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri Gautam Roy	18.78	5.24	-	-	24.02	-	-
2) Shri S.Venkataramana	24.23	4.45	-	-	28.68	-	4.50
3) Shri U.Venkataramana	28.63	4.87	-	-	33.50	-	-
4) Shri S.Krishna Prasad	20.68	5.00	-	-	25.69	-	-
5) Shri P.Shankar	18.23	3.91	-	-	22.13	-	5.82
B. Independent / Government Nominee Directors*							
1) Shri .G.Ramaswamy	3.80	-	-	-	3.80	-	-
TOTAL	**114.35**	**23.46**	**-**	**-**	**137.82**	**-**	**10.32**

*Sitting fees paid to Independent Directors

3) Trusts

Transactions with Post Employment Benefit Plans managed through separate trust

(₹ in Lakhs)

SL. No	Name of the Trust	Post Employment Benefit Plan	31-Mar-2017		31-Mar-2016	
			Net	Outstanding Payable	Net	Outstanding Payable
A	CPCL Employees Provident Fund	Provident Fund	1709.00	143.00	1618.00	142.00
B	CPCL Employees Superannuation Benefit Fund	Pension Scheme	2286.00	196.00	1516.00	132.00
C	CPCL Employees Group Gratuity Trust	Gratuity	-	-	837.00	-

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 Lakhs)

Particulars	Carrying value			Fair value			
	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015	**As at 31-Mar-2017**	As at 31-Mar-2016	As at 01-Apr-2015	**Fair value measurement hierarchy level**
Financial Assets							
Amortised Cost:							
Loans to employees	**4849.47**	5190.17	4374.10	**4525.47**	5110.19	4157.92	Level 2
Total	**4849.47**	5190.17	4374.10	**4525.47**	5110.19	4157.92	
Financial liabilities							
A. Borrowings:							
Amortised Cost:							
Non-Convertible Redeemable Bonds	**100000.00**	100000.00	200000.00	**104157.56**	103757.77	203779.36	Level 2
Finance lease obligation	**334.25**	636.40	916.03	**334.25**	636.40	916.03	Level 2
Preference Shares	**100000.00**	100000.00	-	**107325.00**	103188.00	-	Level 2
Term Loans from Banks - In Foreign Currency Loans	**32427.50**	86800.60	203766.30	**32427.50**	86800.60	203766.30	Level 2
Loans from financial Institutions	**317344.32**	169247.65	36139.64	**317344.32**	169247.65	36139.64	Level 2
B. Others							
Fair Value							
Derivative instruments at fair value through profit or loss	-	346.51	-	-	346.51	-	Level 2
Total	**550106.07**	457031.16	440821.97	**561588.63**	463976.93	444601.33	

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 Borrowing, Trade Payables, Floating Rate Loans and Other Non-derivative Current Financial Liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

3. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Methods and assumptions

The following methods and assumptions were used to estimate the fair values at the reporting date:

Level 2 Hierarchy:

(i) **Derivative instruments at fair value through profit or loss viz. Foreign exchange forward contracts:** Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs are considered .

(ii) **Loans to employees, Loan to related parties, Security deposits paid and Security deposits received:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities

(iii) **Finance lease obligation:** For obligation arrived based on IRR, implicit rate applicable on the reporting date and for obligation arrived based on incremental borrowing rate, applicable rate for remaining maturity.

(iv) **Term Loans from Banks - In Foreign Currency:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities (Excluding floating rate borrowings)

(v) **Non Convertible Redeemable Preference shares :** The fair value of Preference shares is estimated by discounting future cash flows.

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, employee liabilities and finance lease obligation. 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.

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 2015-16 was reviewed by the Audit Committee and Board at the Meeting held on 22.05.2016 and 23.05.2016 respectively and the Report for the year 2016-17 has been reviewed by the Audit Committee and Board at the Meeting held on 15.05.2017.

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

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, FVTOCI investments and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31st March 2017 and 31st March 2016.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions, and other non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March 2017 and 31st March 2016 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 2017.

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 31st March 2017, approximately 93% of the Company's borrowings are at a fixed rate of interest (31st March 2016: 100%, 1st April 2015: 100%).

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 Lakhs)	Increase / Decrease in basis points	Effect on profit before tax (₹ in Lakhs)
	31-Mar-17		31-Mar-16	
INR	+50	-	+50	-
US Dollar	+50	(162.14)	+50	-
INR	-50	-	-50	-
US Dollar	-50	162.14	-50	-

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.

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 Company has outstanding forward contract of ₹ NIL Lakhs as at 31st March 2017 (31st March 2016: ₹ 44328.29 Lakhs, 1st April 2015: ₹ Nil Lakhs) which has been undertaken to hedge its exposure to borrowings and other financial liabilities.

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 Lakhs)	Increase / Decrease in %	Effect on profit before tax (₹ in Lakhs)
	31-Mar-17		31-Mar-16	
INR	+5%	(7242.90)	+5%	(11490.16)
US Dollar	-5%	7242.90	-5%	11490.16

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

Credit risk

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.

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.

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 Lakhs)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31-Mar-17						
Borrowings	-	317344.32	-	232427.50	-	549771.82
Trade payables	33295.97	131089.67	-	-	-	164385.64
Other financial liabilities	43243.14	26.79	38.76	-	-	43308.70
	76539.11	**448460.78**	**38.76**	**232427.50**	**-**	**757466.16**
Year ended 31-Mar-16						
Borrowings	-	256048.25	-	200334.25	-	456382.50
Trade payables	33276.09	213587.95	-	-	-	246864.04
Other financial liabilities	36206.39	16.35	79.92	-	-	36302.66
	69482.48	**469652.55**	**79.92**	**200334.25**	**-**	**739549.20**
As at 1 April 2015						
Borrowings	-	239626.31	100279.63	100636.39	-	440542.33
Trade payables	134593.99	187048.94	-	-	-	321642.93
Other financial liabilities	124261.18	5.53	82.96	-	-	124349.66
	258855.16	**426680.78**	**100362.59**	**100636.39**	**-**	**886534.92**

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.

Collateral

As the Company has been rated investment grade by various rating agencies, there has been no requirement of submitting any collateral for booking of derivative contracts. The Company undertakes derivatives contract only with those counterparties that have credit rating above the internally approved threshold rating. Accordingly, the Company does not seek any collaterals from its counterparties.

Note – 37 : CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company monitors capital using debt equity ratio, which is borrowings divided by Equity. The Company's strategy is to keep the debt equity ratio in the range of 2:1 and 1:1. The Company also includes accrued interest in the borrowings for the purpose of capital management.

Particulars	**31-Mar-17**	31-Mar-16	01-Apr-15
Borrowings	549771.82	456382.50	440542.33
Accrued Interest thereon	10210.49	6328.70	3243.75
Total Borrowings	**559982.31**	462711.20	443786.08
Equity Share Capital	14900.46	14900.46	14900.46
Reserves and Surplus	329209.69	231984.97	156114.38
Equity	**344110.15**	246885.43	171014.84
Debt Equity Ratio	**1.63 : 1**	1.87 : 1	2.6 : 1

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2017 and 31st March 2016.

Note – 38 : RESEARCH AND DEVELOPMENT COSTS

Research and Development Expenses of ₹60.28 Lakhs(2016: ₹ 28.69 Lakhs) have been capitalized and ₹ 628.5 Lakhs (2016 ₹ 668.64 Lakhs) have been accounted for in the Statment of Profit and Loss during the year. Detailed break up of total expenditure is as under:

A. CAPITAL EXPENSES (FIXED ASSETS)

(₹ in Lakhs)

Asset Block	Gross Block as at 1 Apr 2016	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at 31 Mar 2017	Work-in-Progress as at 01 Apr 2016	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31 Mar 2017	Total Capital Expenditure
1	2	3	4	5	6 = (2+3+4-5)	7	8	9	10 = (7+8-9)	11=(3+4+10-7)
Fixed Assets										
Plant & Equipment	1308.92	60.28	-	(128.66)	**1240.54**	-	-	-	-	**60.28**
Office Equipment	11.97	-	-	-	**11.97**	-	-	-	-	-
Furniture & Fixtures	1.56	-	-	-	**1.56**	-	-	-	-	-
Total	**1322.45**	**60.28**	**-**	**(128.66)**	**1254.07**	**-**	**-**	**-**	**-**	**60.28**

(₹ in Lakhs)

Asset Block	Gross Block as at 1 Apr 2015	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at 31 Mar 2016	Work-in-Progress as at 01 Apr 2015	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31 Mar 2016	Total Capital Expenditure
1	2	3	4	5	6 = (2+3+4-5)	7	8	9	10 = (7+8-9)	11=(3+4+10-7)
Fixed Assets										
Plant & Equipment	1282.97	25.95	-	-	**1308.92**	-	-	-	-	**25.95**
Office Equipment	9.23	2.74	-	-	**11.97**	-	-	-	-	**2.74**
Furniture & Fixtures	1.56	-	-	-	**1.56**	-	-	-	-	-
Total	**1293.76**	**28.69**	**-**	**-**	**1322.45**	**-**	**-**	**-**	**-**	**28.69**

B. RECURRING EXPENSES (₹ in Lakhs)

Sl. No	Particulars	31-Mar-17	31-Mar-16
1	Consumption of Stores, Spares & Consumables	**34.59**	54.35
2	Repairs & Maintenance (a) Plant & Machinery	**21.21**	13.35
3	Payment to and Provisions for employees	**348.49**	329.50
4	Depreciation and Other Expenses	**224.21**	271.44
	Total	**628.50**	668.64

C. TOTAL RESEARCH EXPENSES (₹ in Lakhs)

Particulars	31-Mar-17	31-Mar-16
Capital Expenditure	**60.28**	28.69
Recurring Expenditure	**628.50**	668.64
Total	**688.78**	697.33

Note – 39 : DISCLOSURES ON GOVERNMENT GRANTS

Revenue Grant

1 Nature of grant — Export Promotion Capital Goods (EPCG) scheme allows import of capital goods including spares at zero duty subject to fulfillment of an export obligation

			(₹ in Lakhs)
2 Amount of grant	**31-Mar-17**	31-Mar-16	01-Apr-15
As per last Account	**3087.23**	646.96	646.96
Add: Received during the year	**1173.14**	2448.00	-
Less: Amortised during the year	**(222.76)**	(7.73)	-
	4037.61	3087.23	646.96

			(₹ in Lakhs)
	31-Mar-17	31-Mar-16	01-Apr-15
3 Unfulfilled conditions and other contingencies attaching to government assistance	**59057.65**	45190.62	12881.18

Note 40 : EVENTS AFTER REPORTING PERIOD

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.

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 Derivative contracts entered into by the Company and outstanding as on the reporting date are as below:

   (a) **For Hedging Currency Risks**

   Amount of forward contracts entered into by the Company for import & export and outstanding as on 31st March 2017 is ₹ NIL Lakhs (2016: ₹ 44328.29 Lakhs).

(₹ in Lakhs)

S. No	Particulars	Unit of Currency	As on 31-Mar-17		As on 31-Mar-16		As on 01-Apr-15	
			No of contracts	Aggregate amount	No of contracts	Aggregate amount	No of contracts	Aggregate amount
1	Forward Contracts for Import and Export	USD	-	-	4	44328.29	-	-

3. Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2017 is given below:

(₹ in Lakhs)

S. No	Particulars	As on 31-Mar-17	As on 31-Mar-16	As on 01-Apr-15
		Aggregate amount	Aggregate amount	Aggregate amount
1	Unhedged- Payables	**157813.91**	273528.16	411547.58
2	Unhedged- Receivables	**12955.92**	-	18614.92

Note – 42 : FIRST-TIME ADOPTION OF IND AS

These financial statements, for the year ended 31st March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2017, together with the comparative period data as at and for the year ended 31st March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2015, the Company's date of transition to Ind AS. This note explains exemptions availed by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2015 and the financial statements as at and for the year ended 31st March 2016.

Exemptions applied:

1. Mandatory exceptions:

a) Estimates

The estimates at 1st April 2015 and at 31st March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- FVTOCI – unquoted equity shares

Impairment of financial assets are made based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April 2015, the date of transition to Ind AS and as of 31st March 2016.

2. Optional exemptions;

A. Deemed cost-Previous GAAP carrying amount: (PPE and Intangible)

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of Property, Plant and Equipment and Intangible Assets, as recognised in its Indian GAAP financial as deemed cost at the transition date.

B. Investment in Joint ventures and associates:

The Company has elected this exemption and opted to continue with the carrying value of investment in joint ventures, as recognised in its Indian GAAP financials, as deemed cost at the date of transition.

C. Designate of previously recognised financial instrument:

The Company has elected this exemption and opted to:

- Designate financial asset at FVTPL as per Ind AS 109 based on facts and circumstances as on transition date;
- Designate an investment in equity shares as FVOCI, as per Ind AS 109, based on facts and circumstances exist on transition date.

D. Classification and measurement of financial assets:

i. Financial Instruments: (Loan to employees, Security deposits received and paid) :

Financial assets like loan to employees, security deposits received and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Since, it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind As by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset or the financial liability at the date of transition to Ind AS.

ii. Financial Instruments: (Equity shares other than investment in associates and JVs):

The Company has designated unquoted equity instruments held at 1st April 2015 as fair value through OCI investments.

E. Embedded Derivatives:

The Company has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date of reassessment.

Reconciliation of profit or loss for the year ended 31st March 2016

(₹ in Lakhs)

Particulars	Notes	2015-16
Net Profit as per previous GAAP (Indian GAAP)		**79030.12**
Add:		
Accounting for an embedded lease	1	192.68
Classification of spares as plant and equipment	2	965.05
Less:		
Re-measurement of post-employment defined benefit plans	6	163.81
Accrual of interest on mandatorily redeemable preference shares liability (inclusive of dividend distribution tax)	3	(4154.97)
Fair valuation of derivative contracts	4	(32.23)
Revenue Grant income related to EPCG benefits offset by the depreciation impact on accounting for EPCG	5	(16.17)
Others	9	6.60
Tax impact of above adjustments	7	-
Net Profit for the period as per Ind AS (A)		**76154.88**
Other Comprehensive Income (net of tax) Re-measurement of Defined Benefit Plans		(163.81)
Other Comprehensive Income for the period under Ind AS (B)		**(163.81)**
Total Comprehensive Income for the period under Ind AS C = (A+B)		**75991.06**

Reconciliation of Equity

(₹ in Lakhs)

Particulars	Notes	As at 01-Apr-15	As at 31-Mar-16
Equity as per previous GAAP (Indian GAAP)		**172703.59**	**340289.22**
Add:			
Share of adjustments of joint venture - IAL	10	120.46	120.47
Accounting for an embedded lease	1	904.84	1097.52
Proposed dividend and dividend tax for FY 15-16 reversed and accounted in the year of shareholders' approval	8	-	11324.02
Others	9	105.51	129.90
Less:			
Mandatorily redeemable preference shares reclassified to liabilities	3	-	(100000.00)
Fair valuation of derivative contracts		-	(32.23)
Classification of spares as plant and equipment	2	(1959.75)	(994.70)
Revenue Grant income related to EPCG benefits offset by the depreciation impact on accounting for EPCG	5	-	(16.17)
Accrual of interest on mandatorily redeemable preference shares liability (inclusive of dividend distribution tax)	3	-	(4154.97)
Others	9	(859.81)	(877.63)
Tax impact of above adjustments	7	-	-
Equity as per Ind AS		**171014.84**	**246885.43**

Notes to the reconciliation of equity as at 1st April 2015 and 31st March 2016 and profit or loss for the year ended 31st March 2016

1.	**Embedded leases**
	Under Indian GAAP, there is no concept of embedded leases in service contracts. Under Ind AS, such embedded leases are separately recognised as either operating lease or finance lease. Consequent to this, an embedded lease in a service arrangement has been classified as a finance lease and an adjustment representing the difference between a) depreciation and interest expense on finance lease and b) lease component subsumed in total charges has been made to Equity or Net profits, as the case may be.
2.	**Capitalisation of Stores and Spares**
	Spares, other than insurance spares were classified as inventory under existing IGAAP. However under Ind AS, spare parts are recognised in accordance with this Ind AS when they meet the definition of property, plant and equipment. Such stores and spares have been capitalised and depreciated under Ind AS retrospectively till the transition date and the impact has been adjusted through Equity. For the year ended 31st March 2016, the Company has de-recognised the consumption of spares under Ind AS and only depreciation of such spares has been recorded.
3	**Mandatorily redeemable preference shares reclassified to liabilities**
	Under Ind AS, mandatorily redeemable preference shares are classified as financial liability and any obligation to pay dividends thereon is classified as interest expense.
4	**Derivatives**
	Under Indian GAAP, premium/discount arising at the inception of the forward contracts are amortized as expense/income over the life of the contract. Outstanding forward contracts as at the reporting date are restated at the exchange rate prevailing on that date. Under Ind AS, the Company is required to fair value of outstanding derivatives and is also required to recognise gain or loss in relation to such derivatives. Consequent to this, derivative assets or liabilities have been recognised and corresponding as on transition date impact has been adjusted through Equity and the impact for the year ended 31st March 2016 has been adjusted in Net profit.
5	**Government grants**
	Under Ind AS, EPCG benefit is to be treated as a government grant by setting it up as deferred income and recognising the same in income statement progressively as the grant obligations (export obligation) are fulfilled. Consequently, an adjustment has been made to Equity/Net profit.
6	**Re-measurement of post-employment defined benefit plans**
	Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the 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 in Other comprehensive income. Due to this, for the year ended 31st March 2016, the employee benefit cost is reduced and remeasurement gains/ losses on defined benefit plans has been recognized in Other comprehensive income.
7	**Deferred taxes**
	The various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised either in retained earnings or a separate component of equity (OCI) based on where the corresponding transaction giving rise to the temporary difference is recorded. Due to future taxable income arising on account of reversal of temporary differences , Company has restricted the recognition of Deferred Tax Asset in respect of carry forward business loss and unabsorbed depreciation to the extent of Deferred tax liability.
8	**Proposed Dividends**
	Under Indian GAAP, proposed dividends including DDT are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid.In case of the Company, the liability relating to proposed dividend (including dividend distribution tax) has been derecognised against retained earnings as at 1st April 2016. The proposed dividend for the year ended on 31st March 2016 has been recognized under Indian GAAP, has been reduced from other payables and with a corresponding impact in the retained earnings.
9	**Others**
	These adjustments are primarily on account of fair valuation of certain financial instruments carrying Nil/concessional rate of interest
10	**Share of adjustments of joint venture - Indian Additives Limited**
	Under Indian GAAP, proposed dividends including DDT are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid.In case of the Company, the liability relating to proposed dividend (including dividend distribution tax) has been derecognised against retained earnings as at 1st April 2016. The proposed dividend for the year ended on 31st March 2016 has been recognized under Indian GAAP, has been reduced from other payables and with a corresponding impact in the retained earnings.

Note – 43 : OTHER DISCLOSURES

1 **Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:-**

(₹ in Lakhs)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	0.78	-	**0.78**
(+) Permitted receipts	-	0.18	**0.18**
(-) Permitted payments	-	0.14	**0.14**
(-) Amount deposited in Banks	0.78	0.04	**0.82**
Closing cash in hand as on 30.12.2016	**-**	**-**	**-**

2 **Details of impairment loss in respect of Cauvery Basin Refinery**

The Company has refineries at two locations viz., Manali and Nagapattinam (Cauvery Basin Refinery). Consequent to implementation of BS- IV specifications on a pan India basis w.e.f 01.04.2017 and in the absence of secondary treatment facilities, the BS – III grade of diesel production from CBR would not marketable in the local market, entailing significant coastal/export under recoveries, which has adversely impacted the profitability of CBR and hence the value in use is negative. Accordingly, in line with the requirements of Ind AS -36, difference between the carrying value of ₹ 113.19 Cr and the recoverable value of ₹ 51.40 Cr has been accounted as impairment loss during the year. This impairment loss has been recognised as part of Depreciation, Depletion and Amortisation of tangible and intangible assets in the statement of profit and loss as the carrying value of the assets is lower than the value in use/ estimated recoverable amount of this CGU.

In estimating the value in use, the approximate weighted average capital cost has been considered as the discount rate used to calculate the net present value of the estimated future cash flows, which are subject to changes in the external environment.

The fair value less cost of disposal used to determine the recoverable amounts of the impaired assets are classified as level 3 fair value measurements (as detailed in statement of significant accounting policy no.4), as the estimated recoverable amounts are not based on observable market data, rather, management's best estimates. The results of impairment test are sensitive to changes in key judgements, such as changes in commodity prices, future changes in alternate use of assets etc, which could result in increase or decrease of the recoverable amounts and result in additional impairment charges or recovery of impairment charged.

3 The pay revision for employees is due from 01.01.2017. Pending finalization of revision in pay and benefits, provision of ₹ 110 crore (inclusive of consequential impact on retirement benefits has been considered) - Refer note 25.

4 The Employees' Township at Cauvery Basin Refinery has been constructed on land area of thirty four acres and forty nine cents of land leased from a trust on five-year renewable basis.

5 Sixteen acres and twenty six cents of land of the company are under lease for a period of twelve years to IOT Infrastructure & Energy Services Limited in respect of LPG botting facilities operated on BOOT basis.

6 As part of CSR activities, CPCL sponsors polytechnic college, for which twenty acres of land of the company has been leased to CPCL Educational Trust for a period of fifty years.

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

(b) The company has valid title for all immovable properties. However, in respect of 186.86 acres of Land allotted by Government of Tamil Nadu (classified as Poramboke) Assignment deed is yet to be received. Out of this, value is to be determined by Government of Tamilnadu in respect of 135.93 acres.

(c) Pending decision of the Government/Court, additional compensation, if any, payable to the landowners and the Government for certain lands acquired, is not quantifiable, and hence not considered.

8 **Valuation of Finished Products:**

The overall gross margin percentage for all joint products is subtracted from the final net realisable value of each product to arrive at the total cost of each product which is taken as the basis for valuation of closing stock of finished products. (Refer Policy No 7.2 in Note – 1 – "Statement of Significant Accounting Policies").

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

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

Note – 44 : STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES (FORM AOC-I)

Part A : Subsidiaries
Not applicable as there are no subsidiaries

Part B : Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures (FORM AOC - I)

(₹ in Lakhs)

Sl No.	Name of the Associates / Joint Ventures	Indian Additives Limited	National Aromatics and Petrochemical Corporation Limited	Petroleum India International
1	Latest Audited Balance Sheet Date	31-Mar-17	31-Mar-17	31-Mar-17
2	Date on which the Associate or Joint Venture was associated or acquired	13-Jul-89	10-May-89	
3	i) No.	1183401	25000	-
	ii) Amount of Investment in Associates / Joint Ventures	1183.40	2.50	5.00
	iii) Extent of Holding	50.00%	50.00%	9.09%
4	Description of how there is significant influence	Joint venture	Joint venture	Joint operations
5	Reason why the associate / Joint ventures is not consolidated	Consolidated	Consolidated	Consolidated
6	Net worth attributable to shareholding as per latest audited balance sheet	13989.53	-	141.83
7	Profit / (Loss) for the year			
	I) Considered in Consolidation	2763.69	-	93.58
	II) Not Considered in consolidation	2763.69	-	893.32

(Gautam Roy)
Managing Director

(S. Krishna Prasad)
Director (Finance)

(P.Shankar)
Company Secretary

As per our Report of even date

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

Note – 45 : STATUTORY GROUP INFORMATION

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in Total Comprehensive income	
	As % of consolidated net assets	₹ in lakhs	As % of consolidated profit and loss	₹ in lakhs	As % of consolidated other comprehensive income	₹ in lakhs	As % of total comprehensive income	₹ in lakhs
Parent								
Chennai Petroleum Corporation Limited								
Balance as at 31 March 2017	**95.93%**	**330120.63**	**97.37%**	**102318.96**	**100.05%**	**(568.41)**	**97.36%**	**101750.55**
Balance as at 31 March 2016	95.16%	234947.43	96.64%	73593.62	96.14%	(157.47)	96.64%	73436.15
Joint ventures (investment as per the equity method of accounting)								
1 **Indian Additives Limited**								
Balance as at 31 March 2017	**4.07%**	**13989.53**	**2.63%**	**2763.38**	**-0.05%**	**0.31**	**2.64%**	**2763.69**
Balance as at 31 March 2016	4.84%	11938.00	3.36%	2561.25	3.86%	(6.33)	3.36%	2554.92
2 **National Aromatics and Petrochemical Corporation Limited**								
Balance as at 31 March 2017	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at 31 March 2016	-	-	-	-	-	-	-	-
Total								
Balance as at 31 March 2017	**100.00%**	**344110.16**	**100.00%**	**105082.34**	**100.00%**	**(568.10)**	**100.00%**	**104514.24**
Balance as at 31 March 2016	100.00%	246885.43	100.00%	76154.86	100.00%	(163.80)	100.00%	75991.07

COMMENTS OF CAG

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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 2017

The preparation of financial statements of **Chennai Petroleum Corporation Limited** for the year ended 31 March 2017 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 **15-05-2017**

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of **Chennai Petroleum Corporation Limited** for the year ended 31 March 2017. 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 audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on the behalf of the
Comptroller & Auditor General of India

(G. SUDHARMINI)
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT &
EX-OFFICIO MEMBER, AUDIT BOARD, CHENNAI

Place: Chennai
Date: 17.07.2017

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CHENNAI PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of consolidated financial statements of **Chennai Petroleum Corporation Limited** for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **15-05-2017.**

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the Consolidated financial statements of **Chennai Petroleum Corporation Limited** for the year ended 31 March 2017. We conducted a supplementary audit of the financial statements of Chennai Petroleum Corporation Limited for the year ended on that date. Further, Section 139(5) and 143(6)(b) of the Act are not applicable to Indian Additives Limited and National Aromatics and Petrochemical Corporation Limited being private entities for appointment of their Statutory Auditors nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on the behalf of the
Comptroller & Auditor General of India

(G. SUDHARMINI)
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT &
EX-OFFICIO MEMBER, AUDIT BOARD, CHENNAI

Place: Chennai
Date: 17.07.2017

E-COMMUNICATION REGISTRATION FORM

(exclusively meant for Shareholders holding shares in physical form)

To,

Karvy Computershare Private Limited
Unit: **CHENNAI PETROLEUM CORPORATION LIMITED**
Karvy Selenium Tower, B, Plot No. 31 & 32,
Gachibowli, Financial District, Hyderabad - 500 032.

RE:- Green Initiative in Corporate Governance

Regd. Folio No.	
Name of 1st Registered Holder	
Name of Joint Holder / s	
Registered Address	
E-Mail ID to be Registered (IN Capital Letters)	

Date: **Signature.....**

(First Holder)

1. On registration, all the communications, including the Annual Reports, will be sent at the registered e-mail address aforesaid.

2. Shareholders are requested to keep the Company / its Share Transfer Agent / Depository Participant informed of any chage in their e-mail address.

CHENNAI PETROLEUM CORPORATION LIMITED

SYMBOL OF VIBRANT GROWTH

(A group company of IndianOil)
Regd. Office: 536, Anna Salai, Teynampet, Chennai 600 018.
Website: www.cpcl.co.in; Email Id: shankarp@cpcl.co.in / sld@cpcl.co.in
Tel: 044-24349833 / 24346807 Fax: 044-24341753
CIN: L40101TN1965GOI005389

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the member(s)	
Registered Address	
Email id	
Folio No. / Client Id *	
DP ID *	

* Applicable for members who are holding shares in dematerialized form.

I/We, being the member(s) holding ..... shares of the above named company, hereby appoint

1) ..... of ..... having email id ..... or failing him

2) ..... of ..... having email id ..... or failing him

3) ..... of ..... having email id .....

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 51st Annual General Meeting of the Company, to be held on Thursday, 24th August 2017 at 03:00 p.m. at Kamaraj Arangam, 492, Anna Salai, Chennai - 600 006 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl.No.	RESOLUTIONS
	ORDINARY BUSINESSES:
1.	To receive, consider and adopt the Audited Financial Statement of the Company for the period from 1st April 2016 to 31st March 2017, together with the Director's Report and the Auditor's Report.
2.	To declare dividend on Preference shares for the year 2016-17.
3.	To declare dividend on Equity Shares for the year 2016-17.
4.	To appoint a Director in place of Mr.S.Krishna Prasad (DIN No 03065333) who retires by rotation and being eligible, offers himself for reappointment.
5.	To appoint a Director in place of Mr.Sanjiv Singh (DIN No:05280701), who retires by rotation and being eligible, offers himself for reappointment.

	SPECIAL BUSINESSES:
6.	Appointment of Mr.Mrutunjay Sahoo (DIN No 00015715) as a Director
7.	Appointment of Dr. P.B.Lohiya (DIN No 07741463) as a Director
8.	Appointment of Shri S.M.Vaidya (DIN No 06995642) as a Director
9.	Ratification of Remuneration of Cost Auditor for the year 2017-18.

Signed this ..... day of ..... 2017.

Revenue Stamp

Signature of Member

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

NOTE:This Proxy Form duly filled in must be deposited at the Registered Office of the Company at 536, Anna Salai, Teynampet, Chennai – 600018 not less than 48 hours before the commencement of the Annual General Meeting.

CHENNAI PETROLEUM CORPORATION LIMITED

(A group company of IndianOil)
Regd. Office: 536, Anna Salai, Teynampet, Chennai 600 018.
Website: www.cpcl.co.in; Email Id: shankarp@cpcl.co.in / sld@cpcl.co.in
Tel: 044-24349833 / 24346807 Fax: 044-24341753
CIN: L40101TN1965GOI005389

ATTENDANCE SLIP

DP ID.	*CLIENT ID	*FOLIO NO.	NO. OF SHARE(S)

* Applicable for members who are holding shares in dematerialized form.

I/We hereby record my / our presence at the 51st Annual General Meeting of Chennai Petroleum Corporation Limited (A group company of IndianOil), held on Thursday, the 24th August 2017 at 3:00 p.m. at Kamaraj Arangam, 492, Anna Salai, Chennai - 600 006,

Name of the Member .....

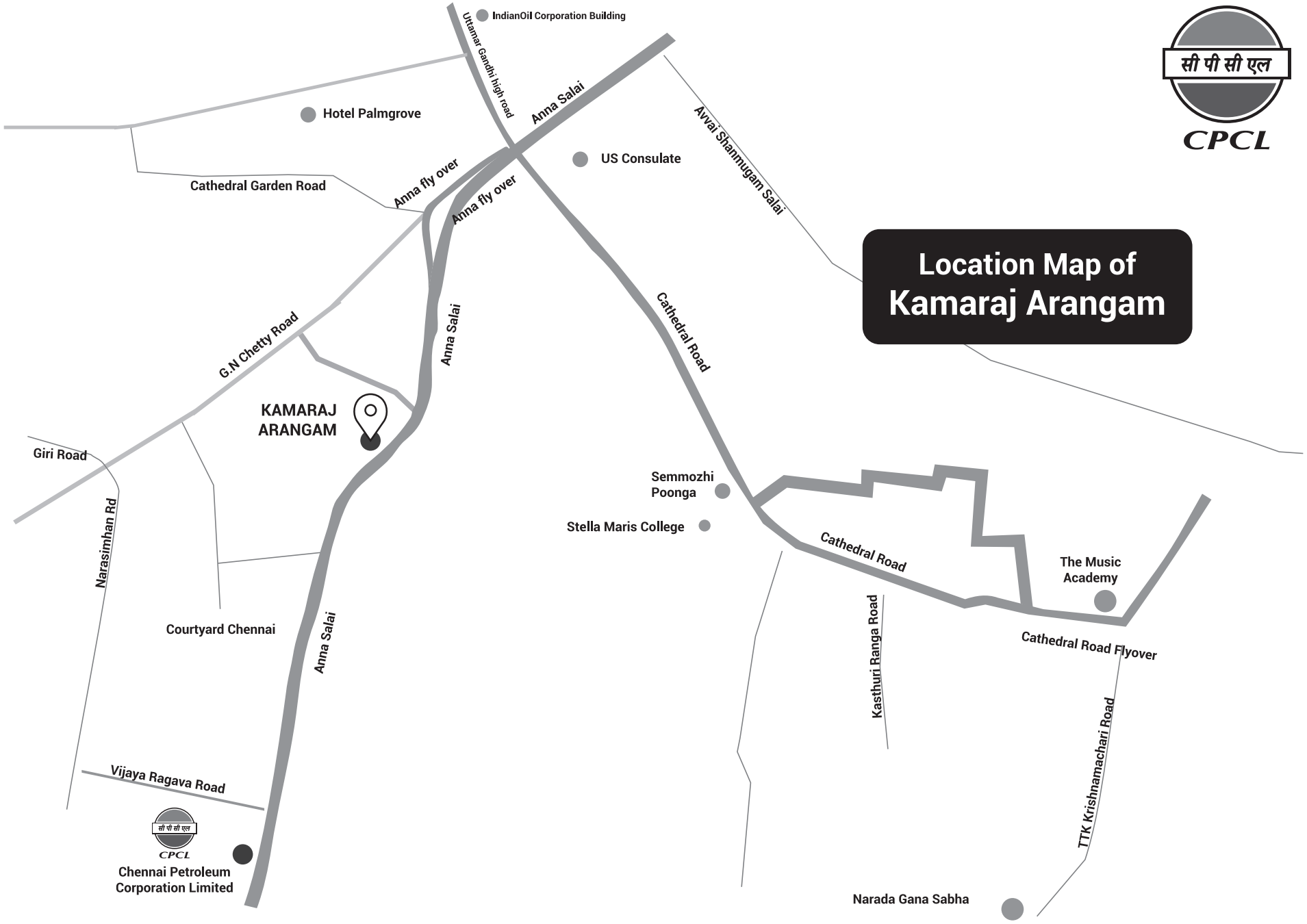
Signature of the Member .....

Name of the Proxy .....

Signature of the Proxy .....

NOTES:

1. Kindly sign and hand over the attendance slip at the entrance of the meeting hall.
2. Members/Proxy holders are requested to bring their copy of the Annual Report for reference at the meeting.


Location Map of
Kamaraj Arangam
सी पी सी एल
CPCL
IndianOil Corporation Building
Uttamar Gandhi high road
Anna Salai
Hotel Palmgrove
Cathedral Garden Road
Anna fly over
Anna fly over
US Consulate
Avvai Shanmugam Salai
G.N Chetty Road
Anna Salai
Cathedral Road
KAMARAJ
ARANGAM
Giri Road
Narasimhan Rd
Courtyard Chennai
Anna Salai
Semmozhi
Poonga
Stella Maris College
Cathedral Road
The Music
Academy
Kasthuri Ranga Road
Cathedral Road Flyover
TTK Krishnamachari Road
Vijaya Ragava Road
सी पी सी एल
CPCL
Chennai Petroleum
Corporation Limited
Narada Gana Sabha



MD, CPCL handedover cheques towards equity dividend and preference dividend to Chairman, IndianOil group companies, in presence of Director(R), Director (F), IOCL and Director (F) CPCL in New Delhi on 20.09.2016.



The largest reactor (673 MT) among CPCL assets for the DHDS Revamp project being transported by road from Chennai Port.



EC Meet was held at Cauvery Basin Refinery on 09.07.2016. Chairman & Director (R) went around the Refinery during their visit along with MD and Directors.



Chairman, IndianOil group companies inaugurated the Delayed Coker Unit Control Room as part of Resid Upgradation project at Manali Refinery on 12.11.2016. Director(R) IOCL, Managing Director, Directors and senior officials of CPCL were present.



MD, CPCL inaugurated the 20 KW Rooftop Solar Project at CPCL's Corporate Office on 24.02.2017 in the presence of Directors and senior officials of CPCL.



CPCL was awarded the "Highest Tax payer Award - 2015-16" by Central Excise Department. This honor was conferred on CPCL for being the top assessee in Chennai Zone, and in a larger way for its contribution towards revenue and industrial growth.



Shri. Anant Kumar Singh, I.A.S., Additional Secretary and Financial Advisor, MoP&NG, visited CPCL's Manali Refinery on 18.04.2016



Chairman, IndianOil group companies, announced the Annual Results of CPCL at a pressmeet in Chennai on 23.05.2016. Director (R), IOCL, MD, Directors of CPCL were present.



सी पी सी एल

CPCL

चेन्नै पेट्रोलियम कॉर्पोरेशन लिमिटेड

(इंडियनऑयल की ग्रूप कम्पनी)

Chennai Petroleum Corporation Limited

(A group company of IndianOil)

Regd. Off.: New No: 536, Anna Salai, Teynampet, Chennai - 600 018.
Visit us at: www.cpcl.co.in