

# ANNUAL REPORT

2015-2016



चेन्नै पेट्रोलियम कॉर्पोरेशन लिमिटेड

(इंडियनऑयल की ग्रुप कम्पनी)

**Chennai Petroleum Corporation Limited**

(A group company of IndianOil)





वा र्षि क प्र ति वे द न 2015 - 2016  
ANNUAL REPORT 2015 - 2016

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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 stakeholders wealth*





## *Corporate Information*

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***Address 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](http://www.cpcl.co.in)
- 4 REGISTRAR & TRANSFER AGENT  
M/s.Karvy Computershare Private  
Limited  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli Financial District,  
Nanakramguda,  
Hyderabad – 500 032.  
Phone: 040-67162222  
e-mail id: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)  
Website:  
[www.karvycomputershare.com](http://www.karvycomputershare.com)
- 5 PRINCIPAL BANKER  
State Bank of India  
Corporate Accounts Group Branch,  
Egmore, Chennai – 600 006.  
Phone : 044-2857 6176
- 6 COMPLIANCE OFFICER  
Mr.P.Shankar  
Company Secretary
- 7 PUBLIC INFORMATION OFFICER  
Mr.S.Vaidyananthan,  
Chief Manager  
(Corporate Communications)
- 8 AUDITORS  
R. SUBRAMANIAN AND COMPANY  
Chartered Accountants  
New No.6, Old No.36,  
Krishnaswamy Avenue,  
Luz, Mylapore, Chennai –600004.  
Phone: 044-24992261/24991347/  
24994231  
e-mail id: [rs@rscompany.co.in](mailto:rs@rscompany.co.in)  
website:[www.rscompany.co.in](http://www.rscompany.co.in)  
  
S. VISWANATHAN LLP  
Chartered Accountants  
No.17, Bishop Wallers Avenue (West)  
Mylapore, Chennai – 600 004.  
Phone: 044-24991147/24994423  
e-mail id: [sviswa@eth.net](mailto:sviswa@eth.net)  
Website: [www.sviswanathan.com](http://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 id:  
[mahalingamkrishnaswamy@gmail.com](mailto:mahalingamkrishnaswamy@gmail.com)  
Website: [www.gica.in](http://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  
[sandeep@sandeep.cs.in](mailto:sandeep@sandeep.cs.in)  
Website: [www.sandeep.cs.in](http://www.sandeep.cs.in)



## 11 STOCK EXCHANGES

BSE Ltd,  
P.J.Towers, Dalal Street,  
Mumbai 400 001.  
Website: [www.bseindia.com](http://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](http://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. B.Ashok**  
*Chairman*

**Mr. Gautam Roy**  
*Managing Director*

**Mr. S.Venkataramana**  
*Director (Operations)*

**Mr. U.Venkata Ramana**  
*Director (Technical)*

**Mr. S.Krishna Prasad**  
*Director (Finance)*

**Mr. Sanjiv Singh**  
*Director (Refineries)*  
*Indian Oil Corporation Limited*

**Mr. G.Ramaswamy**  
*Managing Partner,*  
*M/s.GRamaswamy & Co.,*  
*Chartered Accountants*

**Mr. K.M.Mahesh**  
*Dy. Secretary (LPG)*  
*Ministry of Petroleum & Natural Gas*

**Mr. Alireza Zamani**  
*Director*  
*Naftiran Intertrade Company Limited*

**Mr. Yasin Rezazadeh**  
*Director,*  
*Naftiran Intertrade Company Limited*



## ***Executives***

**Mr. D.P.Naidu**  
*Chief Vigilance Officer*

**Mr. R.Chidambaram**  
*General Manager (Services)*  
*(upto 31.08.2016)*

**Mr. A. Paul Christudass**  
*General Manager (Finance)*

**Mr. S. Visveswaran**  
*General Manager (Technical)*

**Mr. G. Aravindan**  
*General Manager (Maintenance)*

**Mr. A.Kumar**  
*General Manager (Corporate Planning)*

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

**Mr. S.T.Kalaimani**  
*General Manager (Operations)*

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

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

**Mr. P.Shankar**  
*Company Secretary*

## Ten Year Profile

## WHAT WE OWE AND WHAT WE OWN

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
(₹ in lakhs)										
<b>WHAT WE OWE</b>										
Share Capital	14900	14900	14900	14900	14900	14900	14900	14900	14900	114900
Reserves	248874	331552	291824	331308	361692	364414	187729	157345	150608	214767
Networth	263774	346452	306724	346208	376592	379314	202629	172245	165508	329667
Borrowings	183413	245046	154791	407789	422253	367234	590545	559962	539906	356048
Deferred Tax Liability	57352	60736	41400	57596	60447	63795	70710	70340	-	-
<b>Total</b>	<b>504539</b>	<b>652234</b>	<b>502915</b>	<b>811593</b>	<b>859292</b>	<b>810343</b>	<b>863884</b>	<b>802547</b>	<b>705414</b>	<b>685715</b>
<b>What We Own</b>										
Fixed Assets	484796	506590	516390	544473	624627	688592	805568	816566	817604	844533
Less: Depreciation	181038	205411	230557	253579	282792	318460	349837	388159	410568	436155
Fixed Assets (Net WDV)	303758	301179	285833	290894	341835	370132	455731	428407	407036	408378
Intangible Assets	6011	6011	2563	3792	4215	4754	4754	4862	4862	4871
Less: Amortisation	1705	2303	1212	1773	2470	3241	3701	4082	4218	4396
Intangible Assets ( Net WDV)	4306	3708	1351	2019	1745	1513	1053	780	644	475
Capital WIP	18143	29598	71821	128074	115590	101945	17600	36448	83969	172230
Investments	11190	11047	2281	2343	2250	2363	2425	2482	2542	1423
Working Capital	167142	306702	141629	388263	397872	334390	387075	334430	211223	103209
<b>Total</b>	<b>504539</b>	<b>652234</b>	<b>502915</b>	<b>811593</b>	<b>859292</b>	<b>810343</b>	<b>863884</b>	<b>802547</b>	<b>705414</b>	<b>685715</b>

# WHAT WE EARNED AND WHAT WE SPENT

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
<b>WHAT WE EARNED</b>										
<b>Income</b>										
Turnover	2934949	3288931	3648967	2918384	3812826	4538491	4684246	5392370	4787782	3495341
Interest	2165	1472	1933	2285	2798	4435	1172	1393	2592	1365
Miscellaneous Receipts	4231	11375	3474	21224	8809	4111	2882	4445	2927	3712
Inventory Difference	38836	51001	(122443)	65799	44661	53739	20499	7211	(132081)	(20857)
Adjustment - Prior Years	-	78	877	-	(7)	(921)	(60)	1346	(446)	-
<b>Sub-Total</b>	<b>2980181</b>	<b>3352857</b>	<b>3532808</b>	<b>3007692</b>	<b>3869087</b>	<b>4599855</b>	<b>4708739</b>	<b>5406765</b>	<b>4660774</b>	<b>3479561</b>
<b>WHAT WE SPENT</b>										
<b>Expenditure</b>										
Raw Materials	2314838	2590368	2980350	2395053	3155635	3973042	4270888	4746943	3955805	2310691
Manufacturing Expenses	491725	511761	469283	453010	524272	485359	429211	488866	628721	945264
Salaries & Benefits to Employees	15063	14264	19294	27232	24022	25321	31543	29186	33871	35391
Other Expenses	27443	19659	75109	23570	31913	70474	62537	79111	53631	51969
Interest	18830	19481	22366	13737	25446	24938	46876	56797	40373	30935
Depreciation	24194	25161	25717	26714	31447	36542	37453	38958	22612	26566
<b>Sub-Total</b>	<b>2892093</b>	<b>3180694</b>	<b>3592119</b>	<b>2939316</b>	<b>3792735</b>	<b>4615676</b>	<b>4878508</b>	<b>5439861</b>	<b>4735013</b>	<b>3400816</b>
<b>Profit Before Tax</b>	<b>88088</b>	<b>172163</b>	<b>(59311)</b>	<b>68376</b>	<b>76352</b>	<b>(15821)</b>	<b>(169769)</b>	<b>(33096)</b>	<b>(74239)</b>	<b>78745</b>
Provision for Taxation	31561	59868	(19583)	8054	25200	(22004)	6915	(2711)	(70340)	1677
<b>Profit After Tax</b>	<b>56527</b>	<b>112295</b>	<b>(39728)</b>	<b>60322</b>	<b>51152</b>	<b>6183</b>	<b>(176684)</b>	<b>(30385)</b>	<b>(3899)</b>	<b>77068</b>
Dividend	17869	25315	-	17869	17869	2978	-	-	-	5956
Dividend Distribution Tax	3037	4302	-	2968	2899	483	-	-	-	1213

## FINANCIAL INDICATORS

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Debt Equity Ratio	0.70	0.71	0.50	1.18	1.12	0.97	2.91	3.25	3.26	1.08
Earnings per share (₹.)	37.96	75.41	(26.68)	40.51	34.35	4.15	(118.65)	(20.40)	(2.62)	48.96
Profit After Tax to Average Networth (%)	22.99	36.80	(12.16)	18.48	14.15	1.64	(60.72)	(16.21)	(2.31)	31.13
Dividend (%)	120	170	-	120	120	20	-	-	-	40
Dividend Payout (%)	36.98	26.37	-	34.54	40.60	55.99	-	-	-	18.91
(including Dividend Distribution Tax)										

\* In the current year, the dividend payout is based on Profit after tax considering appropriation to statutory reserves and dividend to preference shareholders and DDT on preference dividend.



## **NOTICE**

Notice is hereby given that 50<sup>th</sup> Annual General Meeting of the Shareholders of the Company will be held at **3.00 pm on Wednesday, the 7<sup>th</sup> September 2016 at The Music Academy, New No. 168, T.T.K.Road, Royapettah, Chennai 600 014**, to transact the following businesses.

### **ORDINARY BUSINESSES:**

1. To receive, consider and adopt the Audited Financial Statement of the Company for the period from 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016, together with the Director's Report and the Auditor's Report.
2. To declare dividend on Preference shares for the year 2015-16
3. To declare dividend on Equity Shares for the year 2015-16
4. To appoint a Director in place of Mr.B.Ashok (DIN : 06861345), who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr.U.Venkata Ramana (DIN : 07029234), who retires by rotation and being eligible, offers himself for reappointment.

### **SPECIAL BUSINESSES:**

6. APPOINTMENT OF Mr.K.M.MAHESH (DIN : 07402110) 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 there under including any statutory modifications or re-enactment thereof for the time being in force, Mr.K.M.Mahesh (DIN : 07402110), who was appointed as an Additional Director by the Board of Directors effective 12.01.2016 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."

7. RATIFICATION OF REMUNERATION OF COST AUDITOR FOR THE YEAR 2016-17:

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

"RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 2,00,000/- (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 2016-17 payable to M/s.M. Krishnaswamy & Associates Cost Accountants, Chennai, the cost auditor of the company be and is hereby ratified"

8. TAKING NOTE OF IMPROVEMENT IN NET WORTH OF THE COMPANY

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





“RESOLVED THAT pursuant to the provisions of Section 23 and other applicable provisions of the Sick Industrial Companies (Special Provisions) Act 1985 (SICA) and other applicable Acts, the members hereby consider and take note of improvement in the Networth (Standalone) of the company from ₹ 1655.08 crore as on 31.03.2015 to ₹ 3296.67 crore as on 31.03.2016 which is more than 50% of the peak networth during the immediately preceding four financial years as on 31.03.2016”

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 : 28.07.2016

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 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 Thursday, the 1<sup>st</sup> September 2016 to Wednesday, the 7<sup>th</sup> September 2016 (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 Wednesday, the 31<sup>st</sup> August 2016.  
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 on pro-rata basis from the date of allotment i.e., 24.09.2015, for the financial year 2015-16 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 depository participants i.e., the agency where the demat account has been opened and in respect of shares held in physical form with the RTA or at the registered office of the company.

- 10) Non-resident Indian members are requested to inform the RTA, M/s. Karvy Computershare 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 Computershare 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 Computershare 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 2007-08, 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 and 2011-12, 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 and 2011-12 may write to the RTA, M/s. Karvy Computershare Private Limited, Hyderabad or at the registered office of the Company for claiming the unpaid dividend.
- 14) 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.
- 15) As per the provisions of the Companies Act, 2013, members are entitled to make nomination in respect of shares held by them in physical form. Nomination form can be downloaded from the website of the company at [www.cpcl.co.in](http://www.cpcl.co.in). Shareholders holding shares in Demat form may contact their Depository Participant for nomination.
- 16) A brief Resume of the Directors of Company, seeking appointment/re-appointment at this Annual General Meeting, and their expertise in specific functional areas, is given as part of the Notice of 50<sup>th</sup> Annual General Meeting.
- 17) The relevant documents are available for inspection by the members at the Registered Office of Company at any time during the working hours till the date of meeting.
- 18) Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with Rules made thereunder, the Annual Report 2015-2016, Notice of the 50<sup>th</sup> AGM and instructions for e-voting alongwith the Attendance Slip and Proxy Form are being sent by electronic mode only to those members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2015- 2016, 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](mailto:einward.ris@karvy.com) / [mohsin.mohd@karvy.com](mailto:mohsin.mohd@karvy.com) quoting the Folio Number and Name of the Company.



- 19) The Annual Report duly circulated to the Members of the Company, is available on the Company's Website at [www.cpcl.co.in](http://www.cpcl.co.in).
- 20) In terms of Section 108 of Companies, Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of SEBI (Listing Obligations and Disclosures 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 01<sup>st</sup> September, 2016.
- 21) Facility for e-voting:
- i) Details of the process and manner of e-voting along with the User ID and Password are being sent to the members along with the notice:
    - By email to those members whose email ID is registered with the Company / Depository Participant.
    - By post to those members whose email ID is not registered with the Company / Depository Participant.
  - ii) The instructions and other information relating to e-voting are as under:
    - Launch internet browser by typing the URL: <https://evoting.karvy.com>.
    - Enter the login credentials (i.e. User ID and Password mentioned in the notice). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for logging in.
    - After entering these details appropriately, Click on "LOGIN".
    - You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
    - You need to login again with the new password.
    - On successful login, the system will prompt you to select the "EVENT" i.e. Chennai Petroleum Corporation Limited.
    - On the voting page, enter the number of shares (which represents the number of votes as on the Cut Off date) under "FOR / AGAINST / ABSTAIN" or alternatively, you may partially enter any number of votes in "FOR" and partially in "AGAINST" such that the total number of votes cast "FOR / AGAINST" taken together should not exceed your total shareholding. In case you do not wish to cast your vote you may choose the option "ABSTAIN".
    - Voting has to be done for each item of the Notice separately. In case you do not cast your vote on any specific item it will be treated as abstained.
    - Members holding multiple demat accounts / folios shall choose the voting process separately for each demat account / folio.
    - You may then cast your vote by selecting an appropriate option and click on "Submit".
    - A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).

- Corporate/Institutional members are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email ID: [lalitha.companysecretary@gmail.com](mailto:lalitha.companysecretary@gmail.com) with a copy marked to [evoting@karvy.com](mailto: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, 50<sup>th</sup> Annual General Meeting".
- The e-voting would commence on Saturday, September 3, 2016 at 9:30 A.M. and end on Tuesday, September 6, 2016 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 three days 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 3 days 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](http://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.K.M.Mahesh, Deputy Secretary (LPG), Ministry of Petroleum & Natural Gas, Government of India, was appointed as an Additional Director with effect from 12.01.2016. As per the provisions of Section 161 of the Companies Act, 2013, Mr.K.M.Mahesh will hold office only upto the date of the 50<sup>th</sup> Annual General Meeting of the Company.

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



Mr.K.M.Mahesh 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.K.M.Mahesh.

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

#### **Item No.7**

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 2016-17 at a remuneration of ₹ 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 22.05.2016 and also approved by the Board of Directors of the Company at the meeting held on 23.05.2016.

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

Hence the present resolution for remuneration of ₹ 2,00,000/- 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 2016-17 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.

#### **Item No. 8**

As per Section 23 of The Sick Industrial Companies (Special Provisions) Act 1985, if the accumulated losses of an industrial undertaking as at the end of any financial year have resulted in erosion of 50% or more of its peak network during the immediately preceding four financial years, such company is required :

- a) To report the fact of such erosion to the Board for Industrial and Financial Reconstruction (BIFR)
- b) To hold a General Meeting of the shareholders of the company for considering such erosion.
- c) The Board of Directors shall forward to every member of the company a report as to such erosion and the causes for such erosion.

In line with the provisions of Sick Industrial Companies (Special Provisions), Act, 1985, CPCL had reported the fact of erosion of more than 50% of peak network to BIFR in October 2014 and reported the further reduction in net worth as on 31.03.2015 to BIFR in October 2015.

Due to various measures, both short term and long term undertaken by the company during the financial year 2015-16, the Network (Standalone) as on 31.03.2016 has improved to ₹ 3296.67 crore from ₹ 1655.08 crore as on 31.03.2015 which is higher than ₹ 1897 crore, being 50% of the peak network during the immediately preceding four financial years and the company is not required to report to BIFR in this regard.

The Directors, therefore, recommend the Ordinary Resolution for members to take note of the same.

#### **Memorandum of Interest:-**

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



**REPORTING UNDER SECTION 23(1)(B) OF THE SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985:**

The peak networth of the company during the last 4 years prior to FY 2015-16 was ₹ 3793 crore and the networth as on 31.03.2014 was ₹ 1722 crore. In line with the provisions of Sick Industrial Companies (Special Provisions), Act, 1985, CPCL had reported the fact of such erosion of more than 50% of peak networth to BIFR in October 2014. The loss for the financial year ended 31.03.2015 was ₹ 39 crore and consequently the networth further reduced to ₹ 1655 crore as on 31.03.2015. This has been reported to BIFR vide letter dated 12.10.2015, based on the approval of shareholders in the AGM held on 07.09.2015. Due to various measures, both short term and long term undertaken by the company during the year 2015-16, the Networth (Standalone) as on 31.03.2016 improved to ₹ 3297 crore and the company is not required to report to BIFR in this regard.

**BRIEF RESUME OF THE DIRECTORS OF THE COMPANY, SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 50<sup>TH</sup> ANNUAL GENERAL MEETING**

1. Mr.Ashok Balasubramanian born on 20.05.1957 was appointed as a Director on the Board of CPCL effective 24.07.2014. Mr.Ashok Balasubramanian is a Graduate in Mechanical Engineering from College of Engineering, Guindy, University of Madras. He also holds a Post Graduate degree in Management from Management Development Institute. Presently, he is Chairman of Indian Oil Corporation Limited. He has more than three decades of experience in the oil and gas industry.  
Shri. B. Ashok is also the Chairman of IOT Infrastructure & Energy Services Limited and PETROFED. He is also the member of Oil Industry Development Board (OIDB); Petroleum Conservation and Research Association (PCRA); Petrotech Society. He is the Vice President of World Gas Association. He is also the Chairman of PSE Council of Confederation of Indian Industry (CII).  
Mr.B.Ashok is not holding any shares in the Company. Inter-se relationship between Directors is none.
2. Mr.U.Venkata Ramana, born on 27.07.1958, was appointed on the Board of the Company as Director (Technical) effective 01.12.2014. He is a Chemical Engineer from NIT-Durgapur and holds a M.Tech Degree from Indian Institute of Technology, Kharagpur.  
He joined Indian Oil Corporation Ltd (IOCL), Barauni as Graduate Engineer Trainee and has over three decades of Refining experience in different disciplines of Operations, Process monitoring at IOCL Refineries and Head Quarters.  
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.  
Mr.U.Venkata Ramana is not holding any shares in the company. Inter-se relationship between Directors is none.
3. Mr.K.M.Mahesh born on 30.12.1977, was appointed on the Board of the company effective 12.01.2016.  
Mr.K.M.Mahesh, is a member of Indian Revenue Service. Presently, he is the Deputy Secretary(LPG) Ministry of Petroleum and Natural Gas, Government of India.  
Mr.K.M.Mahesh is a member of Audit Committee and Nomination & Remuneration Committee of the company. He 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: L40101TN1965G01005389

Date : 28.07.2016

Place : Chennai



## **REPORT ON CORPORATE GOVERNANCE: 2015-16**

### **1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

CPCL believes that good Corporate Governance ensure ethical and efficient conduct of the affairs of the company and helps in maximizing value of all its stakeholders like vendors, contractors, customers, employees and society at large in order to build an environment of trust among all its stakeholders. The company strives to uphold the principles and best practices of corporate governance to ensure transparency, integrity and accountability in the overall interest of all its stakeholders.

CPCL recognizes that good corporate governance is a continuous exercise. For effective implementation of corporate governance practices, CPCL has a well defined policy 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 31.03.2016, 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.
- One non-functional part-time Independent Director

Out of the total number of ten Directors as on 31.3.2016, Six 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.

Presently, the Company has One Independent Director. 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





Six Board Meetings were held during the year 2015-16 on the following dates:

Board Meeting No.	Board Meeting Date	Board strength	No. of Directors present
304	23.05.2015	10	10
305	11.07.2015	10	10
306	10.08.2015	10	9
307	07.09.2015	10	7
308	04.11.2015	10	9
309	11.02.2016	10	9

- c) Attendance of Directors at the Board Meetings held during the financial year 2015-16 and at the last Annual General Meeting held on 07.09.2015; 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 Directors	No. of Board Meetings held during the tenure	No. of Board Meetings attended	Whether attended last AGM?	Other Directorships	Committee Memberships (Refer Note)	Committee Chairmanships
<b>Non –Executive Chairman</b> Mr.B.Ashok	6	6	YES	8	1	NIL
<b>Whole-time Directors</b> Mr.Gautam Roy	6	6	YES	2	NIL	NIL
Mr. S. Venkataramana	6	6	YES	2	4	NIL
Mr.U.Venkata Ramana	6	6	YES	NIL	4	NIL
Mr.S.Krishna Prasad	6	6	YES	NIL	6	NIL
<b>Part-time Non-executive Director (IOCL Nominee)</b> Mr.Sanjiv Singh	6	6	YES	2	1	1
<b>Independent Director</b> Mr.G.Ramaswamy	6	6	YES	NIL	NIL	4
<b>Part-time Non-executive Director (Government Nominee)</b> Ms.Perin Devi (upto 12.01.2016)	5	4	YES	2	2	NIL
Mr.K.M.Mahesh (w.e.f. 12.01.2016)	1	1	N.A	NIL	2	NIL
<b>Part-time Non-executive Director (NICO Nominee)</b> Mr.Yasin Rezazadeh	6	2	NO	1	2	NIL
Mr.Alireza Zamani	6	5	NO	1	2	NIL

Note: In addition to Audit Committee, Stake holders Relationship Committee, memberships / chairmanships of Committees mentioned above also include Nomination & Remuneration Committee; CSR&SD Committee, Board Project Committee; Planning & Projects Committee.

**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](http://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 31.03.2016.

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 31.03.2016 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 31.3.2016 and the same was informed to the Board at the 310<sup>th</sup> Meeting held on 23.05.2016".

Place: Chennai  
Date: 23.05.2016

Gautam Roy  
MANAGING DIRECTOR

**3. AUDIT COMMITTEE**

The Composition of the Committee as on 31.3.2016 is as under:

1. Mr.G.Ramaswamy, Independent Director – Chairman.
2. Mr.K.M.Mahesh, Director – Member (w.e.f 12.01.2016)
3. Mr.S.Krishna Prasad, Director – Member
4. Mr.Yasin Rezazadeh, Director – Member

Note: Mr.K.M.Mahesh has been nominated in the place of Ms.Perin Devi w.e.f.12.01.2016

Presently, the composition of Audit 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 written to Ministry of Petroleum & Natural Gas, Government of India, for appointment of one more independent Director, to ensure compliance with the norm. The members of the Audit Committee have requisite financial and management expertise.

The terms of reference of the Audit Committee:-

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 2015 - 16 and the Members present are given below:

Name of Member	Attendance at meetings held out of total no. of Meetings							Total
	23.05.2015	10.07.2015	10.08.2015	07.09.2015	04.11.2015	10.02.2016	28.03.2016	
Mr.G.Ramaswamy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7/7
Mr.S.Krishna Prasad	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7/7
Ms.Perin Devi (upto 12.01.2016)	Yes	Yes	Yes	LoA	Yes	N.A	N.A	4/5
Mr.K.M.Mahesh (w.e.f 12.01.2016)	NA	NA	NA	NA	NA	LOA	Yes	1/2
Mr.Yasin Rezazadeh or his Alternate viz., Mr.Alireza Zamani	Yes	Yes	Yes (Through Alternate)	LoA	Yes (Through Alternate)	Yes (Through Alternate)	LoA	5/7

Note: LOA denotes Leave of Absence

The Audit Committee meetings are attended by 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 Chairman of the Audit Committee was present in the last Annual General Meeting.

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

#### **4. NOMINATION & REMUNERATION COMMITTEE**

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 262<sup>nd</sup> 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 310<sup>th</sup> meeting held on 23.05.2016 renamed and reconstituted the Remuneration Committee as Nomination and Remuneration Committee.

The Nomination & Remuneration Committee comprises of the following members:

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

Presently, 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 written to Ministry of Petroleum & Natural Gas, Government of India, for appointment of one more independent Director, to ensure compliance with the norm.

The terms of reference of the Committee would be 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.

No Meeting was held during the financial year 2015-16.

#### **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 2015-16 is given below:

(₹ in Lakhs)

Name of the Director	Designation	Salaries & Allowances	Contribution to Provident Fund / Superannuation Fund etc	Other Benefits	Total Remuneration
Mr.Gautam Roy	Managing Director	18.59	2.33	3.10	24.02
Mr.S.Venkataramana	Director (Operations)	23.99	2.22	2.46	28.67
Mr.U.Venkata Ramana	Director (Technical)	28.89	2.16	2.45	33.50
Mr.S.Krishna Prasad	Director (Finance)	20.61	2.22	2.85	25.68
<b>TOTAL</b>		<b>92.08</b>	<b>8.93</b>	<b>10.86</b>	<b>111.87</b>

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 ₹ 20000/-.

The details of the sitting fees paid to Independent Director during 2015-16 are given below:

Mr.G.Ramaswamy – ₹ 3,80,000/-

None of the Non-executive Directors and independent directors were holding any shares / convertible instruments as on 31.03.2016. There were no other materially significant pecuniary relationships or transactions of the Independent 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 31.3.2016 is as under

- Mr.G.Ramaswamy, Independent Director - Chairman
- Mr.S.Krishna Prasad, Director (Finance) - Member
- Mr.U.Venkata Ramana, Director (Technical) - Member
- Mr.Alireza Zamani, Director - Member.

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

The details of Stakeholders Relationship Committee Meetings held during the Financial Year 2015-16 and Members present are given below:

Members Present	Date of the Meeting	
	23.05.2015	04.11.2015
Mr.G.Ramaswamy	Yes	Yes
Mr.U.Venkata Ramana	Yes	Yes
Mr.S.Krishna Prasad	Yes	Yes
Mr.Alireza Zamani	Yes	Yes

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

### **Details of complaints received and redressed during the year 2015-16**

During the year 380 complaints were received and all have been resolved. As on 31.03.2016, no complaints were pending.

The Company has created a designated email-id [sld@cpcl.co.in](mailto: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 31.03.2016 is as follows:

- Mr. G.Ramaswamy, Independent Director – Chairman
- Mr. S.Venkataramana, Director (Operations), Member
- Mr. U.Venkata Ramana, Director (Technical), Member
- Mr. S.Krishna Prasad, Director (Finance), Member

The Terms of Reference of the Committee is as under

- To offer guidance / suggestions for improvement in CSR activities.
- To monitor the progress of the CSR Activities on a quarterly basis.
- To develop the sustainable development policy for the organization.
- To provide guidance to the Management in identification of sustainable development projects.
- To ensure preparation of implementation plans for the identified SD projects.
- To approve the Sustainable Development budget for each accounting year.
- To provide guidance in implementation of SD policy and SD projects.
- To monitor and review implementation of SD projects and budget expenditure.



The details of CSR & SD Committee Meetings held during the Financial Year 2015-16 along with the Members present are given below:

Members Present	Attendance at the meetings			
	11.05.2015	07.09.2015	04.11.2015	10.02.2016
Mr.G.Ramaswamy	Yes	Yes	Yes	Yes
Mr.S.Venkataramana	Yes	Yes	Yes	Yes
Mr.U.Venkata Ramana	Yes	Yes	Yes	Yes
Mr.S.Krishna Prasad	Yes	Yes	Yes	Yes

## 7. OTHER COMMITTEES OF THE BOARD

Sl. No	Name of the Committee	Role and Responsibilities	Members	Meetings held
1	Project Committee	1. To approve Capital investment upto Rs. 100 crore and pre-feasibility expenses upto Rs. 20 crore. 2. To recommend investment approval beyond Rs. 100 crore to the Board of CPCL for consideration.	1. Mr.Sanjiv Singh, Director - Chairman 2. Director (Finance) - Member 3. Director (Technical) or Director (Operations), depending upon the Proposal considered	2
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)	13

Shri.P.Shankar, Company Secretary is the Secretary to all the 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
21.08.2013	Narada Gana Sabha, 314, T.T.K. Road, Chennai – 600 018	03.00 pm	Nil
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



**9. POSTAL BALLOT DETAILS:**

The Company obtained the approval of shareholders by Special Resolution for the following special businesses through the process of Postal Ballot pursuant to the provisions of Section 110 and other applicable provisions of the Companies Act, 2013 and rules made thereunder on 16.07.2015:-

1. Borrowing Limits under section 180(1)(c) of the Companies Act, 2013
2. Charging / mortgaging the moveable/ immoveable properties of the Company for the borrowings under section 180 (1)(a) of the Companies Act, 2013.
3. To raise funds by issue of Bonds on private placement basis under section 42 of the Companies Act 2013
4. For alteration of Memorandum of Association for increasing the Authorised Share Capital under section 13 and 61 of the Companies Act 2013.
5. For alteration of capital clause of Articles of Association under section 14 of the Companies Act 2013.
6. For issue of 100,00,00,000 Non-convertible Cumulative Redeemable Preference Shares of Rs.10/- each for cash at par amounting to Rupees 1000 crore on private placement preferential allotment basis, in one or more tranche to IOCL, under section 55 of the Companies Act 2013.

The company appointed Mrs.S.Lalitha, a Practicing Company Secretary, as scrutinizer for conducting the postal ballot process.

The details of voting pattern in respect of the special resolutions passed through postal ballot including e-voting are as under:

Particulars	Resolution No. 1 (Special)	Resolution No. 2 (Special)	Resolution No. 3 (Special)	Resolution No. 4 (Special)	Resolution No. 5 (Special)	Resolution No. 6 (Special)
Number of valid votes received	11,99,58,593	11,99,63,659	11,99,62,634	11,99,62,640	11,99,62,265	11,99,62,446
Votes in favour	11,99,50,779	11,99,55,012	11,99,56,596	11,91,68,197	11,91,67,712	11,91,64,442
Votes against	7,814	8,647	6,038	7,94,443	7,94,553	7,98,004
Abstained from Voting/Invalid	7,72,84,757	7,72,79,780	7,72,80,785	7,72,80,785	7,72,81,185	7,72,81,089
% of Votes in favour	99.99	99.99	99.99	99.34	99.34	99.34

**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) Since the company has only one independent director, separate meeting of independent directors could not be held as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.





**b) Materially significant Related Party Transactions**

Pursuant to revised clause 49(VII)(C) of the then Listing Agreement, the Board of Directors of the Company have 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/Investor Centre Grievances](https://www.cpcl.co.in/Investor%20Centre%20Grievances).

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 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 and 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) The composition of Audit Committee / 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 written to Ministry of Petroleum & Natural Gas, Government of India, for appointment of one more independent Director, to ensure compliance with the norm.

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 01.10.2014 to 30.09.2015 at the 308<sup>th</sup> Board Meeting held on 04.11.2015. The compliance report for the period 01.10.2015 to 30.09.2016 will be placed before the Board at the meeting scheduled in November 2016.

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 246<sup>th</sup> 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 2015-16 was reviewed by the Board at the Meeting held on 23.05.2016.

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 was applicable to the Directors, Executive 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 new Directors are nominated for relevant training programmes on need basis.



**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 79<sup>th</sup> Audit Committee Meeting held on 22.05.2016 and also placed before the Board of Directors at the 310<sup>th</sup> meeting held on 23.05.2016.

**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. 33 major contracts were covered under the integrity pact during 2015-16 and the threshold limit for entering into integrity pact was further revised from Rs.5 crore to Rs.2 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) Demat suspense account / unclaimed suspense account**

No shares of CPCL were lying in the Demat suspense account or unclaimed suspense account as on 31.03.2016.

**j) 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 Audit/ Nomination & Remuneration Committee. CPCL being a Government Company, is pursuing with the Government of India for induction of requisite number of independent directors.

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

The Company has not incurred any expenditure not for the purpose of business during the year 2015-16.

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 0.52% as compared to the previous year figure of 0.25%

In the preparation of financial statement for the year 2015-16, 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 within 45 days, of the close of every quarter and announces the results to all the Listed Stock Exchanges. 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](http://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](http://www.cpcl.co.in).

c) **Website**

The Company's website, [www.cpcl.co.in](http://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](mailto:sld@cpcl.co.in). M/s.Karvy Computershare Pvt Limited, the Share Transfer Agent of the Company have offices across the country, where from 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 2015-16 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.

## **11. GENERAL SHAREHOLDER INFORMATION**

a) 50<sup>th</sup> Annual General Meeting

Date & Time : 7<sup>th</sup> September 2016; 03.00 pm.

Venue : The Music Academy, New No. 168, T.T.K Road, Chennai – 600 014

b) Financial Calendar : April - March

c) Book Closure Date : 01.09.2016 to 07.09.2016 (Both days inclusive)

d) Dividend despatch date : The Board has recommended a dividend of 40% (Rs.4.00 per share) for the year 2015-16. Dividend, if approved at the AGM, shall be paid to all the eligible shareholders well before the stipulated 30 days 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 (BSE) and National Stock Exchange of India Limited. The listing fee for the year 2016-17 has been paid.

f) Stock Code : BSE - 500110

g) Trading Symbol in NSE : CHENNPETRO

h) ISIN No. for dematerialized shares : INE 178A 01016



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

Month	National Stock Exchange			Bombay Stock Exchange		
	High	Low	Close	High	Low	Close
Mar 2016	208.35	171.05	199.20	208.25	171.10	199.20
Feb 2016	188.60	137.80	172.30	188.65	138.00	172.05
Jan 2016	209.50	176.00	186.20	209.40	176.65	186.10
Dec 2015	214.70	187.00	200.50	214.80	187.35	201.35
Nov 2015	222.50	166.10	196.40	222.00	165.15	196.00
Oct 2015	247.25	210.25	214.50	247.00	210.55	214.45
Sep 2015	236.75	185.00	222.90	236.65	186.50	222.55
Aug 2015	264.90	172.40	230.90	264.70	172.60	230.20
Jul 2015	210.00	160.60	191.90	209.95	161.10	191.45
Jun 2015	187.85	100.90	170.40	187.70	101.00	170.10
May 2015	123.80	82.70	117.35	123.50	82.95	117.35
Apr 2015	93.50	68.30	91.30	93.40	68.45	91.10

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

Month	National Stock Exchange		Bombay Stock Exchange	
	Closing price (₹)	Index (CNX 500)	Closing price (₹)	Index (S&P BSE 500)
MAR 2016	199.20	7738.40	199.20	25341.86
FEB 2016	172.30	6987.05	172.05	23002.00
JAN 2016	186.20	7563.55	186.10	24870.69
DEC 2015	200.50	7946.35	201.35	26117.54
NOV 2015	196.40	7935.25	196.00	26145.67
OCT 2015	214.50	8065.80	214.45	26656.83
SEP 2015	222.90	7948.90	222.55	26154.83
AUG 2015	230.90	7971.30	230.20	26283.09
JUL 2015	191.90	8532.85	191.45	28114.56
JUN 2015	170.40	8368.50	170.10	27780.83
MAY 2015	117.35	8433.65	117.35	27828.44
APR 2015	91.30	8181.50	91.10	27011.31

- k) Debt Securities:

The debt securities viz., Secured Redeemable Non - convertible Debentures (Series-II) to the extent of ₹ 1000 crore 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.

## ***Chennai Petroleum Corporation Limited***

The contact details of Debenture Trustees are as under:

### All Bank Finance Ltd.

1) Contact Person & No.: Ms. 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  
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, Sr. Officer (Secretarial & Legal) to approve share transfers, transmission of shares, dematerialisation requests and rematerialisation requests etc.

The number of transfers approved and shares transferred from 01.04.2015 to 31.03.2016 are given below:

<b>Sl No.</b>	<b>Particulars</b>	<b>No. of Cases</b>	<b>Number of Shares Involved</b>
1	Number of transfer deeds received	166	19000
2	Transfer deeds processed	57	6400
3	Defective transfer deeds sent to the proposed transferee for rectification of defects	109	12600

The number of meetings held for approving the Share Transfers from 01.04.2015 to 31.03.2016 is 36.



The number of demat requests approved and shares dematted from 01.04.2015 to 31.03.2016 in National Securities Depository Ltd. (NSDL) are given below:-

SLNo.	Particulars	Number of Demat Request Form (DRF)	Shares
1	Number of demat requests received	334	43462
2	Number of demat requests processed	216	27212
3	Number of demat requests rejected, for non-receipt of physical share certificates within 30 days as per the requirement of NSDL	118	16250

The number of demat requests approved and shares dematted from 01.04.2015 to 31.03.2016 in Central Depository Services (India) Ltd. (CDSL) are given below:

SLNo.	Particulars	Number of Demat Request Form (DRF)	Shares
1	Number of demat requests received	171	19401
2	Number of demat requests processed	114	12901
3	Number of demat requests rejected, for non-receipt of physical share certificates within 30 days as per the requirement of CDSL	57	6500

n) Distribution of Shareholding as on 31.03.2016 :

Shareholding of nominal value	Shareholders		Share Amount	
Rs.	Number	% to total	Rs.	% to total
Upto - 5000	65407	99.34	11058343	7.43
5001 - 10000	210	0.32	1529241	1.03
10001 - 20000	89	0.14	1296170	0.87
20001 - 30000	33	0.05	813333	0.55
30001 - 40000	15	0.02	531544	0.36
40001 - 50000	11	0.02	502657	0.34
50001 - 100000	19	0.03	1434551	0.96
100001 & above	57	0.09	131745561	88.47
<b>TOTAL</b>	<b>65841</b>	<b>100.00</b>	<b>1489114000.00</b>	<b>100.00</b>



o) Shareholding Pattern as on 31.03.2016 :

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)	1214073	13190163	14404236	9.67	11037	47836	58873
NBFC	0	145558	145558	0.10	0	9	9
Bodies Corporate	22400	3604619	3627019	2.44	72	733	805
Banks, FIs and Insurance Companies	100	12783352	12783452	8.58	1	22	23
Mutual Funds and UTI	9000	5620139	5629139	3.78	16	14	30
Foreign Institutional Investors	4200	5190074	5194274	3.49	11	29	40
Non-Resident Indians/OCBs/ FN/Foreign Portfolio Investors	608300	6321322	6929622	4.65	4523	1536	6059
<b>Total</b>	<b>1858073</b>	<b>147053327</b>	<b>148911400</b>	<b>100.00</b>	<b>15660</b>	<b>50181</b>	<b>65841</b>

p) Top Ten Shareholders as on 31.03.2016 (Other than Promoters)

SL No.	Name	Shares	% Equity
1	LIFE INSURANCE CORPORATION OF INDIA	5737534	3.85
2	HDFC TRUSTEE CO LTD	3808770	2.56
3	THE NEW INDIA ASSURANCE COMPANY LIMITED	3521060	2.36
4	GENERAL INSURANCE CORPORATION OF INDIA	2487689	1.67
5	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED	1770667	1.19
6	GOLDMAN SACHS (SINGAPORE) PTE	1462682	0.98
7	MORGAN STANLEY ASIA (SINGAPORE) PTE.	1250665	0.84
8	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	1211562	0.81
9	ACADIAN EMERGING MARKETS SMALL CAP EQUITY FUND LLC	950328	0.64
10	RUSSELL INVESTMENT COMPANY PLC-RUSSELL EMERGING MA	663891	0.45
	<b>TOTAL</b>	<b>22864848</b>	<b>15.35</b>

q) Dematerialisation of Shares and Liquidity

The dematting facility exists with both the National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the convenience of shareholders. As on 31.03.2016, 1,47,053,327 equity shares have been dematerialized, representing 98.75 % of the paid-up capital.





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
2008-2009	No Dividend	
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	No Dividend	
2014-2015	No Dividend	

The Ministry of Corporate Affairs (MCA) had notified the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies), Rules, 2012, in May 2012 by which every company is required to file information of all unclaimed and unpaid amount, as referred to under section 205 C (2) of the Companies Act, within 90 days after holding of the Annual General Meeting, in prescribed Form 5 INV. Thereafter, a detailed investor-wise information is required to be uploaded on the IEPF website as well as the website of the Company.

In line with the said rules, CPCL has filed the information for the financial year 2007-08 to 2014-15 in the prescribed form / format with the MCA / IEPF website and also hosted it on CPCL's website [www.cpclco.in](http://www.cpclco.in).

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@cpclco.in](mailto:sld@cpclco.in)

v) CIN No.: L40101TN1965GOI005389

w) Company's Website Address: [www.cpclco.in](http://www.cpclco.in)







## ***Report to Shareholders***

*Directors' Report*

⇒ 38-51

*Annexures to Directors' Report*

⇒ 52-92

## Directors' Report 2015-2016

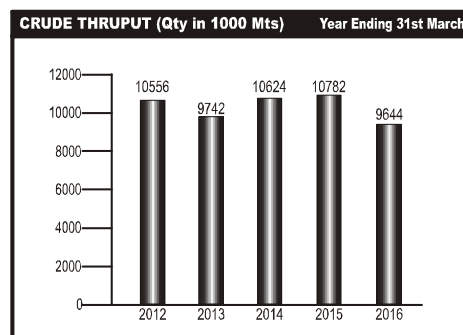
### To the Shareholders of Chennai Petroleum,

On behalf of the Board of Directors of your Company, it is my great pleasure to present the 50<sup>th</sup> 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, 2016.

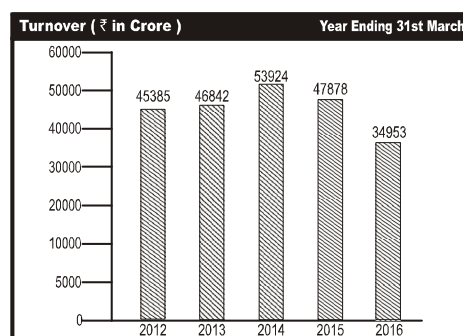
### PERFORMANCE REVIEW

#### Physical

CRUDE THRUPUT ( in TMT)	2015 - 16	2014 - 15
Imported	7243	8451
Indigenous	2401	2331
<b>Total</b>	<b>9644</b>	<b>10782</b>



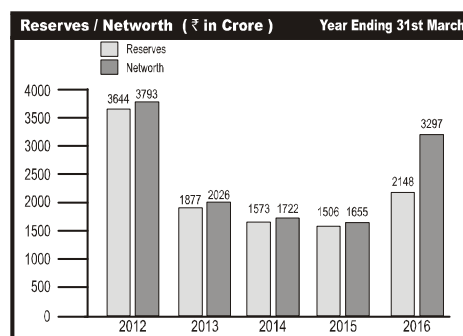
PRODUCTION (in TMT)	2015 - 16	2014 - 15
Light Ends	2093	2153
Middle Distillates	4914	5636
Lube Base Stocks	188	201
Wax	21	25
Heavy Ends	1561	1840
Intermediates	(13)	12
Others	(22)	(20)
Fuel & Loss	902	935
<b>Total</b>	<b>9644</b>	<b>10782</b>



#### Financial

( ₹ in Crore )

	2015 - 16	2014 - 15
Gross Turnover	34953	47878
Profit before Interest, Depreciation and Tax	1362	(112)
Interest	309	404
Depreciation and Amortization	266	226
Profit / (Loss) before Tax	787	(742)
Provision for Taxation	16	
- Income Tax (Net)		-
[Pertaining to earlier years]		
- Deferred Tax	-	
- Deferred Tax [Prior period item]	-	(703)
Profit / (Loss) after Tax	771	(39)
Value Added	2078	466





### ***Highlights of Financial Performance during the year 2015-16 :***

Your Company after incurring losses for the last three financial years has turnaround in 2015-16 by posting a Profit Before Tax of ₹ 787 crore and Profit After Tax of ₹ 771 crore. This was mainly due to improvement in operating areas, support from Holding Company IndianOil and softening of prices in international market and better Working Capital / Borrowings Management.

However, there has been a decline in turnover due to steep fall in crude and product prices and reduction in thruput.

We are pleased to inform that your company has received “Nil” comments from the Comptroller and Auditor General of India vide letter dated 04.07.2016 on the accounts (both stand alone and consolidated) for the Financial Year 2015-16.

### ***Share Capital***

Your Company has increased its Authorized Share Capital from ₹ 400 Crore comprising of 40,00,00,000 (Forty crore) equity shares of ₹ 10/- each to ₹ 1,400 Crore (Rupees one thousand four hundred crore) comprising of 40,00,00,000 (Forty crore) equity shares of ₹ 10/- each and 100,00,00,000 (one hundred crore) preference shares of ₹ 10/- each by creation of 100,00,00,000 (one hundred crore) preference Shares of ₹ 10/- each vide special resolution passed by the shareholders through postal ballot on 16.07.2015.

### ***Capital Infusion by IOCL***

Your Company has allotted 100,00,00,000 (one hundred crore) Non-Convertible Cumulative Redeemable Preference Shares (“NCCRP Share”) of ₹ 10/- each amounting to ₹ 1000,00,00,000 (Rupees one thousand crore) to Indian Oil Corporation Limited, the holding Company on private placement preferential allotment basis on 24.09.2015. The NCCRP Shares is not listed in any Stock Exchange.

The Preference shares are entitled to a dividend rate equivalent to the Post tax yield of AAA rated corporate bond i.e. prevailing 10 year G-Sec yield plus spread on AAA rated corporate bond i.e., 6.65% p.a. The coupon rate on preference shares 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.

### ***Dividend***

The Board recommended a Preference dividend of 6.65% as per the terms and conditions of the Offer document, on the paid up Preference Share Capital of the Company on pro-rata basis from the date of allotment i.e., 24.09.2015, for the financial year 2015-16 which comes to ₹ 0.345 per preference share.

Considering the available surplus for distribution of dividend to equity shareholders after statutory appropriations, the Board recommended an Equity dividend of 40% on paid-up Equity Share Capital of the Company as on 31.03.2016 amounting to ₹ 4/- per equity share.

### ***Book Value***

The book value per share of your Company improved from ₹ 111.15 as on 31.03.2015 to ₹ 154.23 as on 31.03.2016

### ***Reserves and Surplus***

The Reserves and Surplus as on March 31, 2016 was higher at ₹ 2147.67 crore as compared to ₹ 1506.08 crore as on March 31, 2015.

### ***Value Addition***

The value addition during the year improved significantly to ₹ 2078.37 crore as compared to ₹ 466.40 crore in the previous year.

**Contribution to Exchequer**

The details are as under:

( ₹ in Crore )

Particulars	2015 - 16	2014 - 15
Central Exchequer	8882.06	5984.52
State Exchequer	444.12	738.22
<b>Total</b>	<b>9326.18</b>	<b>6722.85</b>

**Public Deposit Scheme**

Your Company has not accepted any public deposits during the year 2015-16 and no public deposit was outstanding as on 31.03.2016.

**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.

**Operational Performance**

*Flood scene:*

As you are aware, the State of Tamil Nadu especially Chennai City had experienced unprecedented rains and consequent floods in Dec, 2015. Your Company, through its dedicated employees, ensured operations of critical plants and utilities in these extremely difficult and challenging conditions. The product pipelines were operated continuously to enable petroleum products availability during the heavy rains and floods, ensuring that there was no shortage of products in the market. Your Company also ensured that no significant damage to plants and equipments were caused during the period. The units were restarted in the shortest possible time immediately after the improvement in the conditions. The total thruput of the company during the year was 9644 TMT as compared to 10782 TMT in the previous year. The distillates yield was the highest at 72.5% as against the previous best of 72.1% in 2014-15. The Fuel and Loss for the year was higher at 9.32% as compared to 8.65% in the last year due to refinery shut down and start up activities due to floods and partly due to low crude processing in Manali Refinery.

Manali Refinery processed two new crudes viz., Al Shaheen Qatar condensate crude from Qatar and Akpo crude from Nigeria. By processing these new crudes, the Company realizes the benefit of adding new crudes to the basket.

During the year, Cauvery Basin Refinery achieved a crude thruput of 543.56 TMT in 2015-16 as compared to the previous year's 531.26 TMT. Natural gas processed in 2015-16 was 79.213 TMT, as compared to previous year's 67.078 TMT. The Fuel & Loss was 4.37 wt% as compared to 4.08 wt % in the previous year. Coastal movement of High Flash HSD started for the first time in October 2015.

**Consolidated Financial Statements**

In line with the provisions of the Companies Act 2013 and the Accounting Standards issued by the Institute of Chartered Accountants of India, your Company has prepared the Consolidated Financial Statements for the first time including Indian Additives Limited, one of the joint ventures on proportionate consolidation basis. The highlights of the Consolidated Financial Results are as follows:

( ₹ in Crore )

Particulars	2015 - 16	2014 - 15
Turnover	35277.40	48170.15
Profit Before Tax	824.92	(727.46)
Profit After Tax	790.30	(33.25)



Consolidation in respect of financials of Joint Venture viz., M/s. National Aromatics and Petrochemicals Corporation Limited has not been incorporated in the preparation of consolidated financial statements of your company in view of the following reasons:

- The investments have been fully provided for diminution in value.
- The said Joint Venture is not operational.
- CPCL decided to exit from the Joint Venture and the process in this regard is already initiated.

### **MoU PERFORMANCE**

Your Company signed a MoU incorporating performance parameters with Indian Oil Corporation Limited, the holding Company, for the year 2015-16, as per the guidelines issued by the Department of Public Enterprises (DPE). Your company has been rated 'Excellent' rank by DPE in respect of MOU for the year 2014-15.

### **MARKETING**

Majority of the fuel products produced by CPCL are being marketed by M/s.Indian Oil Corporation Limited.

The details of sales achieved by direct marketing during 2015-16 over previous year are tabled below:

(Figures. in TMT)

S. No.	Product	2015-16	2014-15
1	LABFS	54.05	45.74
2	Naphtha	180.31	156.51

During the year, your company produced two new products, which received good response from the market:

- VG-40 grade Bitumen, making the total number of Bitumen grades in CPCL to 3 numbers.
- 380 CST Bunker Fuel for Chennai Port.

During the year, supply of MEK feedstock to CETEX commenced and augmented. Eighteen new customers have been added during the year for supply of Food Grade Hexane, Propylene, Sulphur and Paraffin Wax.

### **PROJECTS**

Your Company has achieved the highest plan expenditure of ₹ 1272 crore for plan projects during the year.

### **Completed Projects**

#### ***Manali Refinery***

#### ***Mounded Bullets***

In order to provide intrinsically safe storage in line with the recommendations of the External Safety Audit, construction of Mounded Bullet storage facilities for LPG, Propane and Petrochemical Feedstocks (Propylene & Butylene) (Total 12 Mounded bullets.) was taken up for implementation at an estimated cost of ₹ 279 crore. These Mounded Bullets have been commissioned in a phased manner by March 2016.

#### ***Cauvery Basin Refinery***

New crude oil storage tanks - Tank G was commissioned in December 2015 and Tank H was commissioned in August 2015 which enabled to maximize crude parcel sizes thereby reducing crude oil transportation costs.



## **ONGOING PROJECTS**

As a part of growth strategy, the Company has undertaken following projects aimed at capacity expansion, value addition and quality Upgradation.

### **Manali Refinery**

#### ***Resid Upgradation Project***

In order to increase the distillate yield and maximize the processing of high sulphur heavy crudes, the company is implementing the Resid Upgradation Project, at an estimated cost of ₹ 3110 Crore. The project consists of new secondary processing units like Delayed Coker Unit, Sulphur Recovery Unit, Revamp of Once through Hydrocracker Unit and addition of associated utilities and offsite facilities. The project is expected to be mechanically completed during 2016-17.

#### ***New Crude Oil Pipeline***

A new crude oil pipeline with enhanced safety features is under implementation from Chennai Port to Manali Refinery at an estimated cost of ₹ 258 Crores, as a replacement for the existing 30" pipeline. All statutory clearances have been obtained and orders have been placed for supply of materials. The project is expected to be mechanically completed during 2016-17.

#### ***BS-IV Diesel Project:***

Your Company is Revamping the existing DHDS unit from 1.80 MTPA to 2.34 MTPA at an estimated cost of ₹ 367 Crores in order to meet BS-IV Diesel quality norms with effect from 1<sup>st</sup> April 2017. The project is scheduled to be mechanically completed during 2016-17.

### **Cauvery Basin Refinery**

Installation of 2 x 10 TKL new Diesel storage tanks alongwith coastal loading pumps & associated pipelines is in progress which will enable direct coastal loading of Diesel from CBR post April 2017. This project is expected to be commissioned by March 2017.

## **FUTURE PROJECTS**

As per the directive of the Government of India, the entire production of Diesel from CPCL, along with rest of the country, has to meet BS-VI quality norms with effect from 1<sup>st</sup> April 2020.

#### ***BS-VI Diesel Project:***

In order to comply with the requirement of BS-VI Diesel norms, the existing DHDT unit will be revamped to increase the capacity from 1.8 to 2.4 MTPA along with a new Sulphur Recovery Unit and other associated facilities.

#### ***BS-VI MS Project:***

To meet the requirement of BS-VI MS norms, installation of a new FCC Gasoline Desulphurization unit with a capacity of 0.6 MTPA along with other associated facilities is under consideration.

## **INDIAN ADDITIVES LIMITED**

Your Company has only one operational Joint Venture viz., Indian Additives Limited (IAL), with Chevron Chemical Company (now Chevron Oronite Company), which was formed in the year 1989 for the manufacturing of Lube Additives. IAL achieved a turnover of ₹ 651.45 crore during the year 2015-16, as against ₹ 587.62 Crore in the previous year. The Profit after Tax for 2015-16 was ₹ 51.10 Crore as against ₹ 23.52 Crore in the previous year. The Board of IAL has recommended a dividend of 50% for the financial year 2015-16.



## **INFORMATION TECHNOLOGY**

Your Company always maintains continuous uptime of SAP operations during the year. In order to strengthen the Vendor management, a modified system in SAP was introduced during the year with more mandatory features. For improvement of the information security, a New firewall Checkpoint software was installed. In addition, online Medical claim system and Travel system were introduced in the ESS Portal for the benefit of the employees.

## **RESEARCH AND DEVELOPMENT (R&D)**

Your company lays focus to fundamental R&D for sustainability of its business, advanced technical services, building capabilities and promote growth to be an efficient user of technology.

During the year, a Report on Technical Feasibility Study of Producing Dearomatised Kerosene using Hydrocracker Kerosene was completed.

Two Indian Patents and One International Patent were filed on the following R&D processes:

- a) Algae to Bio Crude jointly with M/s Aban.
- b) Low sulfur Fuel oil Jointly with IIP.

## **SAFETY PERFORMANCE**

Your Company is committed to conducting business with a strong sense of safety. Detailed instructions and procedures are laid out for carrying out the jobs in the refinery. Your company takes utmost precaution in every activity adopting appropriate strategy for identifying, assessing and controlling accidents. Procedures are developed to minimise risks and improve Emergency response.

During the year, as per the OISD norms, Rim seal fire detection and protection system for large size floating roof tanks is being implemented in a phased manner. Separate radiography work permit was introduced. Radiography awareness program was conducted for the benefit of employees. To inculcate safety awareness, your Company conducted programs for truck drivers, cab drivers at CPCL, truck crew and workers at Project sites. Chlorine safety training was conducted for employees and workers at TTP.

Onsite Emergency Mock Drills were conducted in Manali Refinery in September, 2015 and February, 2016. In addition, monthly mock drills were conducted with different scenarios.

External Safety Audit (ESA) was conducted in Cauvery Basin Refinery by Oil Industry Safety Directorate (OISD) during March 2016. Oil spill mock drill was conducted in Chidambaranar Oil Jetty of CBR during May 2015.

International Ship and Port facility Security (ISPS) code verification audit was conducted in Chidambaranar Oil Jetty of CBR during July 2015 and Endorsement was done by Mercantile Marine Department

In recognition of its commitment to safety, Cauvery Basin Refinery of your Company was bestowed with Best Safety Practices Award in 2015 by Confederation of Indian Industry.

## **ENVIRONMENTAL PERFORMANCE**

Your Company continues to accord utmost priority in carrying out its operations with a strong environment conscience by effectively complying with the Environmental Laws and Regulations.

Significant initiatives taken in the areas of Environment protection and safety include the following:

- Leak Detection and Repair (LDAR) program was carried out as per the Environment rules on regular basis.

## ***Chennai Petroleum Corporation Limited***

- Emergency Response & Disaster Management Planning (ERDMP) re-certification was obtained from Disaster Management Institute, Bhopal in line with the guidelines of MoP&NG.
- Rain water harvesting facility to replenish ground water has been provided in 10 buildings.
- In Cauvery Basin Refinery, Online ETP analysers in discharge line has been installed and commissioned in line with the requirements of TNPCB/CPCB. CO analyzer in Stack was commissioned in Oct 2015 and online data connectivity to TNPCB/CPCB servers has been established.
- In Cauvery Basin Refinery, the first ever Bioremediation process of crude Tank 1B sludge after mechanical treatment was completed in Oct 2015.

In appreciation of its initiatives in the areas of Environmental protection, your Company was awarded the Governance Now PSU Award for Green Initiatives and “Research Innovation” in the Miniratna Category I of CPSEs. The Cauvery Basin Refinery of your Company was selected for the “Green Award” for industries from TNPCB for the year 2014.

### **ENERGY CONSERVATION**

Your Company continues its efforts to implement various measures aimed at reducing the energy consumption and achieving energy conservation, which are expected to yield a saving to the extent of 12012 SRFT / annum.

During the year, the following Major Energy Conservation measures were taken up:

- SRU Incinerator Waste Heat Boiler tubes were replaced and put back in service which resulted in additional steam generation.
- Strengthening of Insulation of High heat loss steam / process lines
- Improvement of PSA II Hydrogen Recovery by replacing switching valves and adsorbent
- Plant-79 ARU hot lean amine routed to DHDT bypassing the cooler
- OHCU heavy naphtha directly routed to CCR bypassing NHT reactor system
- Replacement of PRDS system with new valves

The details of proposals implemented for energy conservation are given in **Annexure 4**.

### **QUALITY MANAGEMENT – TPM / ISO**

Your Company has taken various steps to encourage all employees to actively participate in the TPM movement and this has resulted in enhancing the volume of the production, employee morale and job satisfaction. During this year, one third of our employees formed small groups and carried out 209 improvements in the areas of Safety, Energy, Equipment reliability and Quality.

### **HUMAN RESOURCES**

Your Company always supports a participative culture in Management through a consultative approach with the Collectives and establishing a harmonious relationship for industrial peace and productivity.

The total manpower of your Company as on 31<sup>st</sup> March 2016 was 1637, comprising of 804 supervisors and 833 non-supervisors (1628 as on 31<sup>st</sup> March 2015, comprising of 744 supervisors and 884 non-supervisors).

During the year, to promote employees participation by way of information sharing, Communication meetings by Functional Directors and Managing Director were conducted with Employees working in nine departments. Towards developing a culture of care and trust, two Open House meetings with Chairman, Managing Director and Directors were conducted.



Your Company continues to lay utmost thrust and emphasis for developing its human resources by organizing formal training programme aimed at developing the technical and Non-technical skills of the employees. Innovative programs on physical and mental health of the employees like yoga, meditation, etc were also conducted. Your Company has achieved 112 Man-days against the MOU target of 110 Man-days for “Project Management Training” and 142 Man-days against the MOU target of 120 Man-days for “Training on Safety and Environment”.

Your Company has been scrupulously following the Presidential Directives and various instructions of the Government relating to the welfare of the SC, ST, OBC, and differently abled persons. Out of the total manpower, there were 399 SC employees (previous year: 396) and 37 ST employees (previous year: 37) as on 31.03.2016 constituting 24.37% and 2.26% of the total manpower respectively.

The reports relating to representation of SCs / STs / OBCs in the prescribed proforma as on 01.01.2016 is given in the **Annexure 1**.

Your Company is implementing the provisions of the Disabilities Act 1995 by way of 3% reservation for differently abled persons. In addition, various concessions and relaxations are being extended to physically challenged persons in the recruitment process.

Your Company gives utmost importance for prevention of sexual harassment of women at workplace. An Internal Complaints Committee is in place to deal with 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.

#### **WELFARE OF WOMEN**

Your Company is committed to diversity and inclusiveness and is keen on achieving Women development and gender equality. As on 31.03.2016, 86 women employees are on the rolls of the Company, of whom 44 are in the Supervisory Grade and 42 are in Non supervisory Grade, constituting 5.22% of the total Supervisory employees and 5.04% of the total Non-supervisory employees respectively. International Women's day was conducted on 7<sup>th</sup> March 2016 on the theme “Step it Up for Gender Equality”.

Sensitization programme on Sexual Harassment at Work Place (Prevention, Prohibition & Redressal) Act 2013, was conducted for the benefit of women employees.

#### **CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY DEVELOPMENT**

Corporate Social Responsibility is the corner stone of success for your company which actively plays the role of a responsible corporate citizen by looking beyond financial considerations while discharging its social obligations.

The CSR and SD activities focuses on health, education, women empowerment, environment protection and renewable sources of energy for ensuring sustainable development of the society to which it belongs. Even though the company is not required to spend any amount on CSR in view of losses during preceding 3 financial years, a sum of ₹ 133.02 lakhs was spent during the year 2015-16 for various CSR&SD Projects and initiatives.

Your company contributed a sum of ₹ 1.00 crore to the Chief Minister's Public Relief Fund, when Chennai was battered by heavy rains and unprecedented floods during the first week of December 2015. Your company also distributed flood relief materials like sarees, Umbrellas, fish carts, fish nets etc., valuing ₹ 19.80 lakhs to the poor and the needy residing in the neighbourhood of its Manali Refinery. Further, the company conducted three medical camps for the benefit of the flood affected people.

The CSR Policy of the Company can be accessed at the website of the Company under the link [http://www.cpcl.co.in/corporate\\_information-cor\\_governance.htm](http://www.cpcl.co.in/corporate_information-cor_governance.htm).

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-2** to the report.

The company has also published a report on Corporate Sustainability for the year 2014-15 and the same is available in the link [https://www.cpcl.co.in/corporate\\_information-cor\\_governance.htm](https://www.cpcl.co.in/corporate_information-cor_governance.htm)

Initiatives taken by the company in the areas of sustainable development include the following:

- 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.
- Solar Photo Voltaic System was installed at CPCL Polytechnic totaling 25KW. It is planned to install 20kW Solar PV Panel at Corporate Office during the year 2016-17
- Greening of CPCL and its environs is another facet of environmental protection with planting and maintaining of trees and shrubs.

### **OCCUPATIONAL HEALTH SERVICES (OHS) CENTRE**

Your Company's Occupational Health Service is constantly endeavoring to promote the health of its workers including contract workers and also prevention of illness by ensuring a safe work environment by a well established schedule of work environment monitoring of the various hazards in the refinery.

Persistent efforts were undertaken for promoting the awareness amongst the employees on various health care issues by conducting several health awareness programs. As part of Health surveillance, 87% of the employees underwent comprehensive medical examination. In addition, the health of the Contract workers doing critical jobs, security personnel and canteen workers were examined as per the statutory requirements.

Regular training programs were conducted for improving the awareness of employees on the hazards in their work place and first aid care. OHS medical laboratory continued its focus on sustaining the high quality standards by participating in the international recognized EQAS conducted by Biorad.

### **PUBLIC GRIEVANCES**

Your Company aims to provide timely response to public grievances and a Grievance Redressal System is in place. Details and contact number of Public Grievance Officer are displayed in the website of the Company, under the link <https://www.cpcl.co.in/grievances.htm>. As on 31.03.2016, there were no complaints pending.

### **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.

### **LISTING**

Madras Stock Exchange (MSE) vide letter dated May 26, 2014 made a request to SEBI for its exit as stock exchange and intimated that the majority of the shareholders in its Extra-Ordinary General Meeting of the Shareholders on May 26, 2014 passed the special resolution for voluntary exit of the stock exchange. SEBI has given an exit order dated May 24, 2015 allowing the exit of Madras Stock Exchange Limited as a stock exchange. Presently, the shares of the company are listed in BSE Limited and NSE.



## **BUSINESS RESPONSIBILITY REPORT**

The Business Responsibility Report covering initiatives taken with regard to Environment, Social and Governance perspective has been prepared in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and forms part of the Annual Report - **Annexure-7**.

## **AUDIT COMMITTEE**

The Composition of the Committee as on 31.3.2016 is as under:

- Mr. G.Ramaswamy Independent Director – Chairman.
- Mr. S.Krishna Prasad, Director(Finance) – Member
- Mr. K.M.Mahesh, Government Director- Member
- Mr. Yasin Rezazadeh, Director -NICO – Member

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

Being a Government Company, the company has requested Ministry of Petroleum and Natural Gas, Government of India, to consider appointment of minimum one additional independent director immediately to comply with the quorum requirement of minimum two independent directors.

## **SECRETARIAL AUDIT**

The Secretarial Audit Report for the year 2015-16 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 and composition of Audit Committee/Nomination and Remuneration Committee.

The appointment of additional independent directors, including one Woman Director is under the consideration of Government of India. The company has written to Government of India to appoint one independent director immediately to ensure compliance with the composition of Audit Committee / Nomination and Remuneration Committee.

The report, duly certified by a Practicing Company Secretary, is attached as **Annexure- 3** to the Report.

Your Company being a Government Company, the selection and appointment of Directors, terms of appointment and the remuneration payable to Directors is decided by the Government of India as per the Government 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 Inter trade Company, one of the promoters of the company, is carried out by the Administrative Ministry (MoP&NG), Government of India as per applicable Government guidelines. The above is in line with the exemption provided to Government Companies by the Ministry of Corporate Affairs.

## **CODE OF CONDUCT**

The Board of Directors of your Company has enunciated a code of conduct for the Directors and Senior Management Personnel, which has been circulated to all concerned and has also been hosted on the company's website. The code can be accessed at [http://www.cpcl.co.in/code\\_conduct.htm](http://www.cpcl.co.in/code_conduct.htm). The Directors and Senior Management Personnel have affirmed compliance with the code of conduct.

## **RISK MANAGEMENT POLICY**

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.

#### **INTERNAL FINANCIAL CONTROLS**

Your Company has adequate Internal Financial Controls for ensuring the adherence to company's policies, safeguarding of its assets, ensuring the accuracy and completeness of the accounting records and timely preparation of reliable financial information.

Further, the Statutory Auditors in their report dated 23.05.2016 have opined that 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 31<sup>st</sup> March 2016, 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.

#### **STATUTORY AUDITORS**

M/s.R.Subramanian & Company, Chartered Accountants and M/s.S.Viswanathan LLP. Chartered Accountants were appointed as Joint Statutory Auditors of the Company for the financial year 2015-2016 by the Comptroller and Auditor General of India. The Board of Directors of the Company fixed a remuneration of ₹ 13 lakh ( ₹ 6.50 lakh to each of the Joint Statutory Auditors) in addition to the out-of-pocket expenses, if any, and applicable service tax.

There are no qualifications in the Statutory Auditors report dated 23.05.2016 on the annual accounts for the financial year 2015-16.

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 2015-16 at a total remuneration of ₹ 1,70,000/- 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 the ratification by the shareholders in the Annual General meeting.

The cost audit for the year 2014-15 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 2015-16 would also be filed within the stipulated time.

#### **PUBLIC PROCUREMENT POLICY FOR MSMEs**

Your company has complied with the Public Procurement Policy for MSMEs as per the directives of the Government of India. Necessary provision has been made in the tenders indicating the eligibility of MSMEs to participate in the tender. The target of 20% for procurement from MSME's was met in 2015-16.

#### **RELATED PARTY TRANSACTIONS (RPTs)**

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

#### **RIGHT TO INFORMATION**

The Right to Information Act, 2005 is applicable to your company. In accordance with the provisions of the RTI Act, necessary disclosures have been made in the website of the company.

During the year, 69 applications under the RTI Act were received and responded in time.





## **VIGILANCE**

The vigilance department of your company takes many proactive initiatives in the areas of preventive vigilance and surprise inspections. Several periodical, surprise and major inspections of the commercial activities were conducted during the year and corrective actions recommended wherever necessary.

Vigilance Awareness Week Program was observed from 25<sup>th</sup> to 31<sup>st</sup> October, 2015 with the theme- "Preventive Vigilance as a tool of Good Governance". Various programs including Interaction Meet with Contractors, Vendors, Customer Meet, Lecture sessions, Essay competitions and Slogan competitions were conducted both in Manali and Cauvery Basin Refinery. Further to create awareness among students and youth on ethics, integrity, morals, ill effects of corruption etc., several programs including debates, oratorical and essay competitions were conducted in various colleges and schools.

Periodical Review Meetings were held with Independent External Monitors to monitor implementation of Integrity Pact in CPCL. An "Interactive Meet" was also organized with Independent External Monitors for major Contractors/Vendors during Vigilance Awareness Week-2015.

In line with CVC's guidelines, Notice Inviting Tenders, tender documents and details of Purchase Orders/ Contracts awarded, including those on nomination basis were hosted in the website of the company.

## **OFFICIAL LANGUAGE POLICY**

In compliance of Official Language Act, 1963, Official Language Rules, 1976 and orders issued by Government of India from time to time, constant efforts were made during the year for increased use of Hindi in Official work.

The Official Language Implementation Committee, meets every quarter to review the progress of implementation of Official Language Policy.

During the year, 30 employees passed Hindi Examinations conducted by Hindi Teaching Scheme under the Department of Official Language, Ministry of Home Affairs during 2015-16.

As part of the Hindi day celebrations, many Hindi Competitions were conducted and winners of the competitions were awarded prizes during the celebration.

Your Company was awarded the Rajbhasha Shield 2014-15 for securing the consolation position among Public Sector Undertaking (Bigger) category for the best performance in the progressive use of Official Language during the year 2014-15.

## **STATUTORY INFORMATION**

- Particulars of employees drawing a remuneration of ₹ 60 lakhs or more per annum, if employed throughout the financial year or ₹ 5 lakhs per month, if employed for part of the financial year, during 2015-16 as required under Section 197 of the Companies Act, 2013 and rules made thereunder

As per the provisions of Section 197 of the Companies Act, 2013 and rules made thereunder, Government companies are exempted from inclusion of the statement of particulars of employees drawing remuneration of ₹ 60 lakh or more per annum, if employed throughout the financial year, or ₹ 5 lakh per month, if employed for part of the financial year. The information has, therefore, not been included as part of the Directors' Report.

- 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 and form part of this Report **(Annexure-IV)**.

- Certificate received from the Auditors of the Company regarding compliance of conditions of Corporate Governance, as required under SEBI (LODR) Regulations 2015 and also the compliance with the guidelines on Corporate Governance issued by Department of Public Enterprises, Government of India is Annexed and forms part of this Report **(Annexure-5)**.
- Management Discussion and Analysis Report as required under SEBI LODR Regulations 2015 is annexed and forms part of the Report **(Annexure-6)**.

### **REPORTING UNDER SECTION 23(1)(B) OF THE SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985**

The peak networth of the company during the last 4 years prior to FY 2014-15 was ₹ 3793 crore and the networth as on 31.03.2014 was ₹ 1722 crore. In line with the provisions of Sick Industrial Companies (Special Provisions), Act, 1985, CPCL had reported the fact of such erosion of more than 50% of peak networth to BIFR in October 2014. The loss for the financial year ended 31.03.2015 was ₹ 39 crore and consequently the networth further reduced to ₹ 1655 crore as on 31.03.2015. This has been reported to BIFR vide letter dated 12.10.2015, based on the approval of shareholders in the AGM held on 07.09.2015. Due to various measures, both short term and long term undertaken by the company during the year, the Networth (Standalone) as on 31.03.2016 improved to ₹ 3297 crore and the company is not required to report to BIFR in this regard.

### **DIRECTORS**

Mr.K.M.Mahesh, Deputy Secretary (LPG), Ministry of Petroleum & Natural Gas, Government of India, has been appointed as a Director on the Board of CPCL effective 12.01.2016 in place of Ms.Perin Devi.

The Company has received a Certificate of Independence from Mr.G.Ramaswamy, Independent Director confirming that he meets the criteria prescribed for Independent Directors under the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. Since the company has only one independent director, a separate meeting of Independent Directors could not be held as per provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

During the year, 6 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 and material orders were passed by the Regulators or Courts or tribunals, which impact the going concern status and company's operation in future.

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has framed a whistle blower policy wherein the employees are free to report any improper activity resulting in violations 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/investor centre grievances/](https://www.cpcl.co.in/investor%20centre/grievances/).

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 and joint ventures 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 31<sup>st</sup> March, 2016 in prescribed form MGT-9 is attached at **Annexure-VIII** to this report.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- i) in the preparation of the annual accounts for the financial year ended March 31, 2016, the applicable accounting standards have been followed and that there are no material departures from the same;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts for the financial year ended March 31, 2016, 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.

## **ACKNOWLEDGEMENT**

Your Board of Directors acknowledge the committed and sincere efforts of all the employees who have contributed to the performance of the company.

The Board would like to profoundly thank the Government of India, particularly the Ministry of Petroleum & Natural Gas, Other Ministries, Indian Oil Corporation Ltd, Naftiran Intertrade Company Ltd, Petroleum Planning and Analysis Cell, Oil Industry Development Board, Oil Industry Safety Directorate, Centre for High Technology and the various State Governments, regulatory and statutory authorities for their continued cooperation, guidance and support.

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

Your Directors place on record their appreciation of the valuable contributions made by Mrs.Perin Devi, Director, during her tenure.

Date : 01.08.2016

Place : **Chennai**

For and on behalf of the Board

**(B. Ashok)**

**Chairman**

**ANNEXURES TO DIRECTOR'S REPORT**

**ANNEXURE - I (SC/ST/OBC REPORT - I)**

**ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCs/STs & OBCs AS ON 01.01.2016  
AND NUMBER OF APPOINTMENTS MADE DURING THE PRECEDING CALENDAR YEAR**

**MINISTRY / DEPARTMENT / ATTACHED / SUB-ORDINATE OFFICE:**

**CHENNAI PETROLEUM CORPORATION LIMITED, CHENNAI**

GROUPS	Representation of SCs/STs/OBCs as on 01.01.2016				No. of appointments made during the calendar year 2015 (Jan - Dec 2015)									
					By Dir.Recruitment				By Promotion			By Deptn/Absorption		
	Total No. of Employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group A Managerial / Executive Level	605	157	23	60	Nil	Nil	Nil	Nil	187	45	7	Nil	Nil	Nil
Group B Supervisory Level	160	35	2	13	2	Nil	Nil	Nil	45	11	Nil	Nil	Nil	Nil
Group C Workmen / Clerical Level	864	207	11	332	41	10	1	20	327	96	3	Nil	Nil	Nil
Group D	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Group D (Semi- skilled / unskilled Exclg. 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
<b>TOTAL</b>	<b>1629</b>	<b>399</b>	<b>36</b>	<b>405</b>	<b>43</b>	<b>10</b>	<b>1</b>	<b>20</b>	<b>559</b>	<b>152</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>

**(SC/ST/OBC REPORT - II)**

**ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCs/STs & OBCs IN VARIOUS  
GROUP "A" SERVICES AS ON 01.01.2016 AND NUMBER OF APPOINTMENTS**

**MADE IN VARIOUS GRADES IN THE PRECEDING CALENDAR YEAR**

**MINISTRY / DEPARTMENT / ATTACHED / SUB-ORDINATE OFFICE:**

**CHENNAI PETROLEUM CORPORATION LIMITED, CHENNAI**

PAY SCALE (In Rupees)	Representation of SCs/STs/OBCs as on 01.01.2016				No. of appointments made during the calendar year 2015 (Jan - Dec 2015)									
					By Dir.Recruitment				By Promotion			By Other Methods		
	Tot.no. of employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
29100 - 54500 GR-B	234	53	9	26	Nil	Nil	Nil	Nil	67	12	4	Nil	Nil	Nil
32900 - 58000 GR-C	169	44	7	18	Nil	Nil	Nil	Nil	56	14	2	Nil	Nil	Nil
36600 - 62000 GR-D	74	17	5	15	Nil	Nil	Nil	Nil	24	4	1	Nil	Nil	Nil
43200 - 66000 GR-E	59	24	2	1	Nil	Nil	Nil	Nil	16	10	Nil	Nil	Nil	Nil
51300 - 73000 GR-F	38	12	Nil	Nil	Nil	Nil	Nil	Nil	14	2	Nil	Nil	Nil	Nil
51300 - 73000 GR-G	22	5	Nil	Nil	Nil	Nil	Nil	Nil	8	2	Nil	Nil	Nil	Nil
51300 - 73000 -GR-H	9	2	Nil	Nil	Nil	Nil	Nil	Nil	2	1	Nil	Nil	Nil	Nil
<b>TOTAL</b>	<b>605</b>	<b>157</b>	<b>23</b>	<b>60</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>187</b>	<b>45</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>



## ANNEXURE - II

### 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 31.03.2016

The Composition of Committee on CSR & SD as on 31.03.2016 is as follows:

1. Mr. GRamaswamy, Independent Director – Chairman
2. Mr. S. Venkataramana, Director (Operations), Member
3. Mr. U.Venkata Ramana, Director (Technical), Member
4. Mr. S.Krishna Prasad, Director (Finance), Member

#### 3.0 AVERAGE NET PROFITS AND PRESCRIBED CSR EXPENDITURE:

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

Particulars	( ₹ /lac)
Average net profits for last three financial years	(70323)
Prescribed CSR expenditure	NIL

**Note:**

Even though the company's average net profit was negative during the preceding three financial years, an amount of ₹ 133.02 lakhs was spent during the year 2015-16 for various CSR&SD Projects and initiatives.

#### 4.0 PRESCRIBED CSR EXPENDITURE (2% OF THE AMOUNT AS IN SlNo.3)

NIL

**5.0 DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR 2015-16.**

<b>Particulars</b>	<b>( ₹ /lac)</b>
a) Total amount spent during the year	133.02
b) Amount unspent	1.98

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 loss is ₹ 70323 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 (Corporate Social Responsibility Policy) Rules, 2014, Mr.Gautam Roy, Managing Director & CEO Mr.G.Ramaswamy, 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.

**Sd/-**  
**Managing Director & CEO**

**Sd/-**  
**Chairman (CSR & SD Committee)**

Place : Chennai

Date : 06.07.2016

CSR &SD ACTIVITIES FOR THE YEAR 2015-16

Sl	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	Amount spent on the Project or Programmes Sub-heads: (1) Direct Expenditure on Projects or Programme (2) Overheads	Cumulative Expenditure upto the reporting period	Amount Direct or through implementing Agency.
1	Community Health Centre, Manali	Health	Local Area. Tamil Nadu State, Tiruvallur district	11.50	11.50	11.50	Agency
2	Community Health Centre, Periyasekkadu	Health	Local Area. Tamil Nadu State, Tiruvallur district	8.65	8.65	8.65	Agency
3	Community Health Centre, Thirunillai	Health	Local Area. Tamil Nadu State, Tiruvallur district	8.90	8.90	8.90	Agency
4	Community Health Centre, Muttam (CBR)	Health	Local Area. Tamil Nadu State, Nagapattinam district	11.00	11.00	11.00	Agency
5	CPCL Creche	Child care	Local Area. Tamil Nadu State, Tiruvallur District	1.70	1.70	1.70	Agency
6	Merit Scholarship to school students. Manali	Education	Local Area. Tamil Nadu State, Tiruvallur District	6.00	6.00	6.00	Direct
7	Merit Scholarship to School, ITI and Polytechnic Students, CBR	Education	Local Area. Tamil Nadu State, Nagapattinam district	5.00	5.00	5.00	Direct
8	Merit Scholarship to CPCL Polytechnic Students, Manali	Education	Local Area. Tamil Nadu State, Tiruvallur District	10.50	10.50	10.50	Direct
9	Contribution to CPCL Educational Trust for running and maintaining the Polytechnic College	Education	Local Area. Tamil Nadu State, Tiruvallur District	21.25	21.25	21.25	Direct





10	Construction of Toilets at Govt. High School, Vichoor	Sanitation	Local Area. Tamil Nadu State, Tiruvallur District	3.41	3.41	3.41	Direct
11	Construction of Toilets at Govt. Higher Secondary School, Naravarikuppam (Redhills)	Sanitation	Local Area. Tamil Nadu State, Tiruvallur District	11.43	8.48	8.48	Direct
12	Construction of Toilets at Panchayat Union Primary School, Veeraperamanallur at CBR	Sanitation	Local Area. Tamil Nadu State, Nagapattinam district	3.45	3.43	3.43	Direct
13	Construction of cremation shed at Vetrivalkkai Village near CBR		Local Area Tamil Nadu State, Nagapattinam district	2.00	2.00	2.00	Direct
14	Evaluation of CSR&SD activities and Sustainable Report 2014-15		Local Area. Tamil Nadu State, Tiruvallur District	1.85	1.70	1.70	MSW
15	Children's Day Celebration 2014 by Tamilnadu Social Welfare Board	Child care	Local Area. Tamil Nadu State, Tiruvallur District	0.50	0.50	0.50	Agency
16	Distribution of Flood Relief Materials in Manali area		Local Area. Tamil Nadu State, Tiruvallur District	19.80	19.80	19.80	Direct
17	Distribution of Basic items in Tiruvottiyur area		Local Area. Tamil Nadu State, Tiruvallur District	5.00	5.00	5.00	Direct
18	Distribution of Basic items in North Chennai		Local Area. Tamil Nadu State, Tiruvallur District	3.00	3.00	3.00	Direct
19	Expenditure for National Polio Programme		Local Area. Tamil Nadu State, Tiruvallur District	0.00	1.20	1.20	Direct
	<b>GRAND TOTAL</b>			<b>134.94</b>	<b>133.02</b>	<b>133.02</b>	
	Rounded off			135	133	133	



## ANNEXURE - III

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 in Form MR3]

**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 31<sup>st</sup> March 2016, 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 31<sup>st</sup> March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- (iii) The provisions of the Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- (iv) The provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder as applicable. The Company does not have any External Commercial Borrowings or Overseas Direct Investment.
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) are applicable to the Company
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (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 Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of equity shares regulations), 2009; (Not Applicable to the Company during the Audit Period)

- (h) The Securities and Exchange Board of India (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 (Applicable to the Company w.e.f. 1<sup>st</sup> December 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. It may be added here that SEBI vide order dated 14.05.2015 allowed the exit of Madras Stock Exchange as a 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 members of the company by means of a Special resolution passed through Postal Ballot on 16.07.2015 have approved the borrowing limits upto ₹ 8000 crores for both Domestic and Foreign Borrowings as per the provisions of Section 180 (1) (c) of the Companies Act, 2013 and also for creation of security on the movable / immovable properties of the company for the borrowings in accordance with Section 180 (1) (a) of the Companies Act, 2013.
- b. The members of the company by means of a Special Resolution passed through Postal Ballot on 16.07.2015 have approved the issue of bonds on private placement basis upto ₹ 3000 crore (from Domestic as well as Overseas market) during a period of one year from the date of approval by the shareholders within the overall borrowing limits approved by the members, under Section 42 of the Companies Act, 2013.
- c. The members of the company by means of a Special Resolution passed through Postal Ballot on 16.07.2015 have approved the alteration of Capital Clause of the Memorandum of Association for increasing the Authorised Share Capital of the company under Section 13 and 61 of the Companies Act, 2013 from ₹ 400 Crores comprising of 40,00,00,000 Equity shares of ₹ 10/- each to ₹ 1400 Crores comprising of 40,00,00,000 Equity shares of ₹ 10/- each and 100,00,00,000 Preference shares of ₹ 10/- each by creation of 100,00,00,000 Preference Shares of ₹ 10/- each.
- d. The members of the company by means of a Special Resolution passed through Postal Ballot on 16.07.2015 have approved the alteration of Capital Clause of the Articles of Association of the company under Section 14 of the Companies Act, 2013.
- e. The members of the company by means of a Special Resolution passed through Postal Ballot on 16.07.2015 have approved the issue of 100 crore Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each for cash at par to Indian Oil Corporation Limited, one of the promoters of the company valuing ₹ 1000 crores.
- f. The Company has allotted 1,00,00,00,000 Non-Convertible Cumulative Redeemable Preference Shares ('NCCRP Share') of ₹ 10/- each amounting to ₹ 10,00,00,00,000 to Indian Oil Corporation Limited, the holding company, on private placement preferential allotment basis, subsequent to the receipt of subscription amount on 24.09.2015. The NCCRP Shares are not listed in any stock exchange.



- g. The shareholders of the company at the 49th Annual General Meeting held on 07.09.2015 considered and took note of further reduction of more than 50% of the networth of the company as at the end of the Financial Year 31.03.2015 in relation to its peak net worth during the immediately preceding four financial years, by way of passing an ordinary resolution.
- h. The Company has redeemed 8.85% Secured Redeemable Non-convertible Bonds in the nature of Debentures Series – I valuing Rs. 1,000 Crores upon exercise of Call Option by the Company by payment of principal as well as interest on 18.02.2016.
- i. The Company had requested State Bank of India, Corporate Accounts Group Branch, Chennai, the Dividend Banker, on 14.03.2016 for remittance of a sum of ₹ 27,51,94,800 and ₹ 4,58,65,800 being the dividend payable to Naftiran Inter Trade Co Ltd (NICO) for the years 2010-11 and 2011-12 aggregating to ₹ 32,10,60,600 in Euro currency to NICO's bank account and the company was informed by SBI that the remittance of Dividend to NICO's account in Euro currency will be arranged immediately upon receipt of clearance from the Reserve Bank of India.

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 and the composition of Audit Committee / Nomination & Remuneration Committee. In this connection, we were informed that the Company has made representation to the Government of India to appoint Independent Directors including one Woman Director on the Board. Further the company has also written to Government of India for appointment of 1 more Independent Director to ensure compliance with the composition of Audit Committee / Remuneration Committee. We were informed that the existing Remuneration Committee is proposed to be renamed as 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.

**For S Sandeep & Associates**

Company Secretaries

**S Sandeep**

Managing Partner

FCS 5853

CP No: 5987

Date : 13.05.2016

Place : Chennai

**ANNEXURE - IV**

**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 Energy conservation measures were taken:**

- a. Once Thru Hydrocracker Unit (OHCU heavy naphtha routed directly to CCR Unit bypassing Naphtha Hydro Treating(NHT) Reaction system
- b. Hexane Solvent Recovery Column Reboiler steam changed from HP to MP
- c. Sour Water Stripper Unit (SWS)(Plt-80) Bottom pump stopped and the water is routed to downstream system by column operating pressure
- d. Continuous Catalytic Reformer(CCR) unit's Waste Heat Boiler steam generation improved by routing Boiler Feed Water (BFW) at optimal low temperature to Economiser (Modification carried out at BFW Circuit)
- e. Sour Water Stripper Unit (SWS)(Plant-18) Vapor line heating steam has been reduced after Fin-Fan Cooler blade modification
- f. FCCU Gas-Con Stripper Steam reduced subsequent to APC Implementation
- g. CDU-II VDU Ejector steam reduced in steps to optimal level
- h. Amine Regeneration Unit (AMU)(Plant-78) Hot Lean Amine Routed to DHDT and reduced DHDT Lean Amine Heater Steam
- i. SRU(Plant-210) Incinerator Waste Heat is utilized to generate steam
- j. Hydrogen Purifier(PSA-II) recovery improved by adsorbent change along with passing valve replacement
- k. P&U Pressure Reduction De-superheating (PRDS) Passing valves were repaired/replaced
- l. Insulation of higher heat loss Process/Steam Lines repaired/replaced to minimize heat loss

The above measures resulted in an estimated savings of about 12000 SRFT/annum.

**ii) Steps taken for utilising Alternate Sources of 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.

Solar Photo Voltaic System was installed at CPCL Polytechnic totaling 25KW.It is planned to install 20kW Solar PV Panel at Corporate Office during the year 2016-17



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

The following additional investment proposals are being implemented:

- a. DHDS(Plant-77) RGC Turbine modification from condensing to partial extraction
- b. Destaging of Pipeline Transfer Pumps
- c. Destaging of GT-3 BFW Pump to reduce discharge pressure to the optimal required level
- d. Propane Recovery Unit (PRU) (Plant-72) Propane Evacuation during S/D
- e. Pressure Swing Adsorption (PSA)-II Revamp to increase additional hydrogen rich gas processing

## B. TECHNOLOGY ABSORPTION

i) Efforts made in Technology absorption are as under:

- Rubber Process Oils: Formulation of Rubber Process Oils and also Environment Friendly (EF) grade Rubber Process Oil (RPO) meeting the stringent specifications on Poly Aromatic Hydrocarbon compounds and DMSO extraction as per IP 346 test method were carried out. The Rubber Process Oil formulations use the refinery streams and will have a significant value addition. The formulations of Aromatic, Paraffinic, Naphthenic Process oils equivalent to the commercial grades available in India and also EF Grade RPO's, meeting the stringent REACH specifications of Europe, which are currently imported in India, were carried out
- CPCL R&D and Aban Biotechnology have successfully carried out research program for growth of algae strains in fresh, saline and effluent water. The result of this program is published in High Impact Research Journal "Bioresource Technology" Jan. 2016
- Three Indian Patents on Low Sulfur Fuel Oil and three papers were published during this year

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

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. The following benefits were derived as a result of the R&D efforts:

### Crude Assay

- Detailed assay on new crudes namely Akpo and Arab Extra Light were carried out before processing the above crudes in the refinery

### FCC catalyst / Additive Selection

- Tender Evaluation was carried out for the selection of New FCC catalyst & Additives

### New product development :

- **Microcrystalline Wax (MCW):** A study on production of Microcrystalline was carried out in Laboratory using Bright Neutral slack wax and blend of Bright Neutral and Heavy Neutral slack wax. The study indicated feasibility of production of MCW at CPCL meeting the specifications of MCW

- **Dearomatised Kerosene:** Studies were carried out to establish feasibility of producing Dearomatised Fluids using Hydrocracker Kerosene as feedstock in our Pilot Plant. The studies were carried out using commercial catalyst for production of Drilling Fluids, Cutting oils and special solvents meeting environmental standards
- 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

( ₹ In Lakhs)

	<b>2015-16</b>	2014-15
Capital	<b>28.69</b>	23.73
Recurring	<b>668.64</b>	625.03
Total	<b>697.33</b>	648.76
Total R&D expenditure as % of Gross Turnover	<b>0.0199</b>	0.0136

### **C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Total Foreign Exchange used and earned:

( ₹ in Lakhs)

	<b>2015-16</b>	2014-15
Used	<b>7655.66</b>	8042.10
Earned	-	-





## ANNEXURE - V

### 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, 2016 as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) 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 Requirements) Regulations, 2015 as well as the DPE Guidelines for the year ended March 31, 2016, except for non-compliance relating to i) the number of Independent Directors on the Board which was less than the half of the total strength of the Board; ii) Woman director; iii) Composition of Audit Committee / Nomination & Remuneration Committee.

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**  
**Chartered Accountants**  
FRN: 004137S

R.Rajaram  
Partner  
Membership No: 025210

Place: Chennai  
Date : 23/05/2016

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

V C Krishnan  
Partner  
Membership No: 022167



**MANAGEMENT DISCUSSION AND ANALYSIS**  
**(Forming part of the Directors Report for the year ended 31.03.2016)**

**Economic Overview**

The growth in the global economy during 2015-16 was 3.2%, almost similar to previous year with emerging market economies accounting for major contribution. The growth across the countries remain uneven with China and India registering a healthy improvement while Brazil and Russia are experiencing recession in their economies. The marginally lower growth in 2015-16 was primarily due to weakened economic activity during the second half of the year 2015. However, the economic growth is expected to improve in the year 2016-17, with the envisaged strengthening of commodity prices over the previous year. India and China will continue to be the drivers of economic growth in the world and expected to record higher growth rates in 2016-17.

The Indian economy grew at a healthy growth rate of 7.6% during 2015-16 which is better than the previous year's growth rate of 7.1%, reflecting the positive benefits delivered by various economic measures initiated by the Government in the recent years. The major contributors for the economic growth in 2015-16 include mainly agriculture, mining, manufacturing, electricity, cement and steel sectors. The index of industrial production also achieved a healthy growth rate of 2.4% over the previous years with major contributions from mining, manufacturing and electricity sectors. The inflation continues to register lower increase with Consumer Price Index (CPI) reducing to 4.83 as on March 2016 against 5.25 at the end of March 2015. This augurs well to boost private consumption and will have positive impact on economic growth in 2016-17. Similarly the Consumer Food Price Index (CFPI) also has come down from 6.14 in the previous year to 5.21 at the end of 2015-16. The Indian economy is expected to improve further in 2016-17 with an envisaged growth rate of 7.9-8%. The anticipated favourable forecast of monsoon during the year is likely to increase the agricultural output resulting in improvement of rural demand and consequent economic activities.

**Energy Scene**

As the world economy expands, more energy will be needed to support higher level of manufacturing activities and living standards, in spite of envisaged improvements in energy efficiency technologies. With the world's population projected to increase by 1.5 billion people by 2035, the global energy consumption is expected to increase by 34% between 2015 and 2035. While Crude oil will remain the major source of energy accounting for 32.9% of total energy consumption, and Natural gas will register the fastest growth in demand, supported by the environmental policies. The role of renewable sources of energy is expected to increase significantly and generation of renewable energy is projected to quadruple by 2035. It is also expected that renewable power energy will account for one third of growth in the power generation.

During the year Global primary energy consumption has increased by 1% over the previous year. While oil consumption in the world has increased by 1.9%, oil production has increased by 3.2% and refinery throughput increased by 2.3% over the last year. The renewable sources of energy registered a growth rate of 15.2% during 2015-16. The prices of fossil fuels experienced a downward trend and Brent crude oil price declined significantly during the year, as a result of higher production of oil as compared to demand. The oil prices are expected to remain volatile for some more years, impacting the margins of refineries and increasing the risk factors for refinery sector in general. The crude oil price for Indian basket of crudes has declined from \$59.07 /bbl in April 2015 to \$36.42/bbl in March, 2016, a reduction of 38%. However, India being a major importer of crude oil, the reduction in prices have reduced the import bill of crude oil and contributed to reduce current account deficit.



## **Refining Industry and Oil Market Developments**

As per BP Energy Outlook 2035, the global oil consumption, mostly driven by transport and industry is expected to increase from the current level of 95 MB/D to about 112MB/D by 2035. India is projected to account about 25% of the growth in oil consumption in the next 20 years, is likely to become a major player in the global oil sector along with China and advanced countries. During the year 2015-16, India has surpassed Japan and is now the third largest oil consumer in the world.

The demand for petroleum products in India has registered a robust growth rate of 10.8% with absolute demand increasing from 165.5 MMT in 2014-15 to 183.5 MMT in 2015-16. On the supply side, petroleum products production has increased from 220.7 MMT in 2014-15 to 230.7 MMT in 2015-16, a growth rate of 4.5%. As a result, the export of petroleum products was lower in 2015-16 at 60.5 MMT as compared to 63.9 MMT in the previous year. There was no capacity addition during the year 2015-16 to the existing refining capacity of 215.5 MMT.

## **Opportunities and Challenges**

With the expected robust economic growth and development of infrastructure in the near future, the demand for petroleum products in India is projected to grow rapidly, creating an opportunity for expansion of refining capacity in existing refineries as well as setting up of new refineries. As per BP Energy Outlook, India will become a major growth driver for global oil consumption in the next 20 years, surpassing Japan as the third largest oil consumer in the world. CPCL is planning to expand the refining capacity at either Manali or Cauvery Basin to increase the availability of petroleum products in Tamilnadu and other southern states.

The availability of Natural Gas in Chennai region from the year 2018 will be an opportunity for CPCL to replace part of the internal fuels / feedstocks such as Refinery Fuel Oil and Naphtha and improve the environment in and around Manali region. This will also contribute to declarations of Intended Nationally Determined Contributions (INDCs) as part of COP21 agreements reached in Paris during 2015-16. Action plans to convert some of the key equipments to utilise natural gas as fuel / feedstock have been developed and necessary technical studies have been initiated. The investment plans are also being finalised.

CPCL will be commissioning the Resid upgradation project in the year 2016-17 that will improve the production of value added Distillates and also produce pet-coke. The marketing of pet-coke is taken up, with interaction with major customers, and various market promotion activities are planned along with creation of necessary infrastructure for logistic support. There is adequate demand for pet-coke in southern India and the product is likely to be consumed by major cement companies and other customers.

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

In order to utilise the growing opportunities in renewable sources of energy, especially in Solar power, CPCL has envisaged on a project to set up a 5 MW solar unit at Chennai. The feasibility study is in progress. In addition, CPCL is also setting up roof- top solar plants in the administrative buildings to enhance generation of renewable solar power.

## **Risks and Concerns**

CPCL has in place a well-defined Risk Management Policy Framework to identify the risks and concerns which enable the Management to develop action plans to address the same effectively. The identified risks include Insecurity of Crude Supply, Pricing of products, Risks in Logistics of Crude Oil Sourcing, Infrastructure constraints, Introduction of BS-IV specification auto fuels, Safety and Security.

**a. Insecurity of crude supply**

CPCL Manali Refinery is mostly dependent on crude imported from Gulf and other areas. Any disruption in the crude supply will directly impact the refinery operations and profitability of the Company. To address this issue, CPCL continuously expands the crude basket by identification of new crudes, for processing in Manali Refinery. During the year 2015-16, CPCL processed two new crudes namely, Al Shaheen & Qatar Condensate and Akpo Blend. By processing Al Shaheen & Qatar Condensate the distillate yield was higher than other high sulphur crudes. Sulphur content was lower than other high sulphur crudes. Akpo Blend crude was found suitable for processing upto 100% Neat crude and RFO generation was very low. CPCL is also planning to process additional new crudes during the year 2016-17 to further enhance the crude basket. The common strategic storage facility that was commissioned at Vizag by ISPRL will also contribute to crude supply security for CPCL.

**b. Safety and Security**

Refinery operations, by nature, being highly sensitive to safety and security aspects, CPCL has put in place a robust safety and security management systems. Continuous awareness has been created among employees and contractor labour about various safety aspects of Operations and Maintenance of equipments. A multi - level safety audit system is in existence and ensures that all Departments are closely monitoring implementation of safety procedures. The standard operating procedures related to each unit are periodically reviewed and updated with the latest changes. In addition, external safety audits are also undertaken periodically to examine the effectiveness of safety measures in vogue and to identify any gaps. The Company has implemented Rimseal systems in some of the product tanks for better safety management aimed to improve safety. CPCL also implemented Mounded Bullet project to improve the safety aspects related to storage of LPG within the refinery.

**c. Implementation of BS-VI specification for MS and HSD**

As per the policy, announced by the Government of India, all Refineries are required to produce BS-VI specification auto fuels effective from April 2020. In line with the Government Policy, CPCL has identified DHDT revamp to meet HSD quality standards and to set up a new FCCU Gasoline Treatment Plant to meet MS quality standards. The estimated value of investments to set up these facilities is about ₹ 1000 crore and licensor selection for the new unit is under finalisation.

**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) 2015-16

## ANNEXURE - VII

Sl	Query	Response			
	<b>Section A: General Information about the Company</b>				
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.cpclco.in			
5.	Email id	sld@cpclco.in			
6.	Financial Year reported	2015-16			
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.			
		192	1920	Sub-Class	Description
				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 31.03.2016)	Operating Refineries: 2 Manali Refinery, Manali, Chennai - 600068 Cauvery Basin Refinery, Panangudi Village, Nagapattinam District, Tamilnadu Corporate Office, No.536,Anna Salai,Teynampet, Chennai - 600018 Delhi Liaison Office, R.K.Puram, New Delhi – 110 066. Wind Power Project: 1 (Pushpathur, Tamilnadu)			
10.	Markets served by the Company-Local/State/National/ International	National			
	<b>Section B: Financial Details of the Company</b>				
1.	Paid up capital (INR) including Preference Shares	₹ 1149 crore (as on 31.03.2016)			
2.	Total turnover (INR): (Gross)	₹ 34,953 crore (for FY 2015-16)			
3.	Total profit after taxes (INR):	₹ 771 crore (for FY 2015-16)			

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	The company is not required to spend any amount on CSR in view of the losses during the last 3 Financial years. However, a sum of ₹ 133.02 lakhs was spent during the year 2015-16 for various CSR&SD Projects and initiatives.
5. List of activities in which expenditure in 4 above has been incurred:	The CSR&SD activities mainly focus on Health, Education, Women Empowerment, Skill Development, Environment Protection and Renewable sources of Energy as per the CSR Policy approved by the Board.
<b>Section C: Other Details</b>	
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%]	There are no other entities with which the company does business, participate in the BR initiatives of the Company. IOCL being the holding Company participate in its own BR initiatives and adheres to the guidelines in this regard.
<b>Section D: BR Information</b>	
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 Human Resource
b) Details of the BR Head	
1. DIN Number (if applicable)	NA
2. Name	Shri .P.Shankar
3. Designation	Company Secretary
4. Telephone number	044 - 24346807
5. e-mail id	shankarp@cpcl.co.in
2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y/N):	<p>The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under :</p> <p>P1 - Business should conduct and govern themselves with Ethics, Transparency and Accountability.</p> <p>P2 - Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.</p> <p>P3 - Business should promote the well-being of all employees.</p> <p>P4 - Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.</p> <p>P5 - Business should respect and promote human rights.</p>



	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. 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.								
	Does the policy confirm to any national/international standards? If yes, specify? (50 words)									
	Has the policy being approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	The policies are approved at appropriate levels by the competent authority including the Board wherever required								
	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Policy frameworks are regularly monitored in course of the Company's day-to-day business operations. Additionally, Board has delegated certain powers to various committees of the Board with distinct roles and responsibilities.								
	Indicate the link for the policy to be viewed online?	<a href="https://www.cpcl.co.in/policies.html">https://www.cpcl.co.in/policies.html</a> <a href="https://www.cpcl.co.in/services_safety.htm">https://www.cpcl.co.in/services_safety.htm</a> <a href="https://www.cpcl.co.in/CORPORATE%20PLANNING/SD%20Final%20Report%202014-15-for%20mail.pdf">https://www.cpcl.co.in/CORPORATE%20PLANNING/SD%20Final%20Report%202014-15-for%20mail.pdf</a> <a href="https://www.cpcl.co.in/images/Code%20of%20Conduct%20-Dec%202014.pdf">https://www.cpcl.co.in/images/Code%20of%20Conduct%20-Dec%202014.pdf</a>								



	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes
	Does the company have in-house structure to implement the policy/ policies?	Yes
	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy / policies?	Yes
	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Policies are constantly monitored and reviewed from time to time.
3. Governance related to BR: Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company: Within 3 months, 3-6 months, Annually, More than 1 year.	Various principles of BR performance constitute an integral part of the day to day operations of the Company and the same are reviewed by the Board / Committee of the Board from time to time.	
4. 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 2014-15 can be accessed from the following link: <a href="https://www.cpcl.co.in/corporate_information-cor_governance.htm">https://www.cpcl.co.in/corporate_information-cor_governance.htm</a> . The Business Responsibility Report will be published as a part of the Annual Report for the year 2015-16 and the same will be uploaded in the website.	
<b>Section E: Principle-wise performance</b>		
<b>1. Principle 1</b>		
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 380 complaints from the shareholders during the year 2015-16, which were subsequently resolved to the satisfaction of shareholders.	





Other complaints during the year	<p>No complaints were received under the Integrity Pact (IP). 1 complaint was received on 13.01.2016, with regard to the tender floated by CPCL for renewal of its All Risk Package Policy for the year 2015-16 and the same was replied on 9<sup>th</sup> March 2016.</p> <p>Moreover, during the year, 6 complaints were received and disposed through Public Grievance Redressal system.</p>
<b>2. Principle 2</b>	
1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	<p>Over the years, the Company has spent more than Rs 4000 crore towards quality improvement of its transportation fuels, namely Motor Spirit (MS) &amp; High Speed Diesel (HSD), which constitute two of its major products from Manali Refinery.</p> <p>Further, in order to supply 100% BS-IV grade products from its existing refineries, the company is spending about Rs. 400 Crore.</p> <p>CPCL is also implementing BS – VI MS &amp; HSD projects with an estimated cost of over Rs. 1000 Cr.</p> <p>CPCL has a state-of-the-art R&amp;D Centre, which has developed a number of environment friendly formulations and has filed a patent on processing and distillation techniques for algal bio-crude to produce drop-in Bio-fuels with M/s.Aban and low-sulphur fuel oil jointly with IIP. These initiatives helps the Company to meet the stringent environmental norms.</p>
List of 3 such products	<p>List of such products or services:</p> <p>At present, CPCL is supplying BS – IV MS &amp; HSD to Metro Cities and BS – III MS &amp; HSD to rest of the areas. We also have the following future targets:</p> <p>100 % BS-IV MS &amp; HSD: From 01.04.2017</p> <p>100 % BS – VI MS &amp; HSD: From 01.04.2020</p> <p>Future Roadmap</p> <p>Majority of the fuel products produced by CPCL are being marketed by Indian Oil Corporation Limited, the holding Company.</p>
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	<p>Lower negative impact on Environment :</p> <p>Supply of low-Sulphur transportation fuels (petrol &amp; 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 &amp; 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 &amp; HSD.</p> <p>Efficiency in crude oil sourcing &amp; vessel utilization:</p> <ul style="list-style-type: none"> <li>- CPCL processed 25% indigenous crude in 2015-16 compared to 22% in 2014-15 and gained on two accounts: (1) Lower cost of indigenous crude compared to imported crude due to freight and (2) Better inventory control due to shorter voyage</li> <li>- Optimal inventory of crude at Refinery maintained at 21-23 days.</li> </ul>
i. Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?	
ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	
	<p>Energy Conservation:</p> <p>CPCL continues its efforts to implement various measures aimed at reducing the energy consumption and achieving energy conservation. During the year, the following Major Energy Conservation measures were taken up :</p> <ul style="list-style-type: none"> <li>• SRU Incinerator Waste Heat Boiler tubes were replaced and put back in service which resulted in additional steam generation.</li> <li>• Strengthening of Insulation of High heat loss steam / process lines</li> </ul>

	<ul style="list-style-type: none"> <li>Improvement of PSA II Hydrogen Recovery by replacing switching valves and adsorbent</li> <li>Plant-79 ARU hot lean amine routed to DHDT bypassing the cooler</li> <li>OHCU heavy naphtha directly routed to CCR bypassing NHT reactor system</li> <li>Replacement of PRDS system with new valves</li> </ul>
3. Does the company have procedures in place for sustainable sourcing (including transportation)?	Yes.
i. If yes, what percentage of your inputs was sourced sustainably?	Oil & Gas sector is particularly vulnerable to sectoral threats like depletion of resources and geo-political uncertainties. The Company has long and short term contracts in place for its crude oil procurement. Moreover, the Company has diversified its global fuel sourcing centers. Further, efforts are put for optimization of crude basket and to minimize inventories. Company has implemented e-Tendering, e- Procurement and e-Payment. A progress of 96% in Materials Procurement and 97% in Works Contracts was achieved in 2015-16. An MoU has been entered into with Transparency International India (TII) for implementing an Integrity pact programme focused on enhancing transparency in business transactions, contracts and procurement processes. CPCL markets speciality products through pipeline transportation to downstream industries.
4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	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. 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 target of procurement of 20% from MSEs was met by the Company during the year 2015-16.
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 1271 MT of oily sludge was treated for oil recovery.
<b>3. Principle 3</b>	
1. Please indicate the Total number of employees.	Total number of employees as on 31.3.2016 is 1637.
2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.	<ul style="list-style-type: none"> <li>4 persons were engaged as Consultants/ Liaison officers/ Specialist doctors, etc. during the year.</li> <li>No persons are working as casual laborers/temporary workers.</li> <li>CPCL awards job contracts to contractors at its various locations for several ongoing projects as well as for operational needs. CPCL, as a principle employer, ensures that all statutory requirements are duly complied with.</li> </ul>



3. Please indicate the Number of permanent women employees.	Total number of permanent women employees as on 31.3.2016 is 86.			
4. Please indicate the Number of permanent employees with disabilities.	There are 31 permanent employees with disabilities as on 31.03.2016.			
5. Do you have an employee association that is recognized by management?	Yes. Chennai Petroleum Employees' Union (CPEU) represents the non-executive employees and Chennai Petroleum Officers' Association (CPOA) represents the executives. Both are recognized by the Management.			
6. What percentage of your permanent employees is members of this recognized employee association?	Over 90% of the employees (non-executives and executives) are members of the recognized union and officers' association.			
7. Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial yr and pending, as on the end of the financial yr.	As given below:			
	Sl No.	Category	No. of complaints filed during 2015-16	No. of complaints pending as on end of the financial yr
	1	Child labour/forced labor/involuntary labor	Nil	Nil
	2	Sexual harassment	Nil	Nil
	3	Discriminatory employment	Nil	Nil
8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?			% of employees given safety & skill up-gradation training during 2015-16	
		Permanent Male employees	60%	
		Permanent Women Employees	63%	
		Casual/Temporary/ Contractual Employees/Contract labor	100%	
4. Principle 4				
1. Has the company mapped its internal and external stakeholders? Yes/No	Yes.			
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes. The company has identified its disadvantaged, vulnerable and marginalized stakeholders.			
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	Yes. For engagement of disadvantaged, vulnerable and marginalized external stakeholders, CSR initiatives are undertaken. During the year 2015-16, CPCL has spent an amount of Rs133.02 lakhs on CSR for the benefit of the under-privileged section of the society. CPCL scrupulously follows the Presidential Directives and guidelines issued by Government of India regarding reservation in services for SC/ ST/ OBC/ PWD (Persons with Disabilities)/ Ex-servicemen to promote inclusive growth.			
5. Principle 5				
1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/Others?	The policy of the company covers human right principles. As a part of the commitment towards meeting its societal needs, CPCL believes in safeguarding human rights within its sphere of influence.			

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaint on human rights violations was received during 2015-16.
<b>6. Principle 6</b>	
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 <a href="https://www.cpcl.co.in/services_safety.htm">https:// www.cpcl.co.in/services_safety.htm</a>
3. Does the company identify and assess potential environmental risks? Y/N	Yes. Regular assessment of the environmental risks associated with operations is carried out. Environmental risk assessment is carried out before any project is executed and then only Environmental clearance is granted by statutory authorities.
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 the 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 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 in 2014-15 another 15 KW Solar Photo Voltaic System was installed at CPCL Polytechnic College totalling 25 KW as on 31.03.2016.
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 2015-16 are as follows: TNPCB issued show Cause Notice on GTG Power Plant & Desalination Plant respectively, intimating the expiry of Consent to Operate and its renewal. CPCL has paid the renewal fee for consent to operate.		
7. Principle 7			
1. Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:	Yes. The details are provided below:		
	Associations		Natl/Int'l
	a) Transparency International India (TII)		National
	b) Petroleum Federation of India (PetroFed)		National
	c) Standing Conference of Public Enterprises (SCOPE)		National
	d) Madras Chamber of Commerce & Industry (MCCI)		National
	e) Global Compact Network (GCN)		National
	f) Manali Industries Association (MIA)		National
	g) The Tamil Chamber of Commerce		National
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes, In association with various national bodies, the Company actively participates and firms up opinions on Industry related issues which have significant impact on public policy. References of different ministries of the government are attended to with in-depth analysis. CPCL is permanent member of UNGC and extends support in implementing the ten guiding principles in United Nations agenda on human rights, labour standards, environment and anti-corruption.		
8. Principle 8			
1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. The scheme-wise list of CSR&SD activities are given below:		
	(Rs. In Lakhs)		
	Sl No.	Name of CSR Activities	Actual Amount
	1	Community Health Centre at Manali	11.50
	2	Community Health Centre at Periyasekkadu	8.65
	3	Community Health Centre at Thirunillai	8.90
	4	Community Health Centre at Muttam (CBR)	11.00
	5	Creche centre at Manali	1.70
	6	Meritorious Scholarship to School students at Manali	6.00
	7	Meritorious Scholarship to students of School, ITI and Polytechnic at CBR	5.00
	8	Meritorious Scholarship to CPCL Polytechnic College students	10.50
	9	Contribution to CPCL Education Trust for Maintenance Expenditure of Polytechnic College	21.25
	10	Construction of School Toilet at Govt. High School, Vichoor	3.41
	11	Construction of School Toilet at Govt. Hr.Sec.School, Naravarikuppam	8.48
12	Construction of School Toilets at P.U.Primary School, Veeraperumanallur	3.43	

	13	Construction of Cremation Shed at Vetrivalkkai Village near CBR	2.00
	14	Evaluation of CSR&SD activities and Sustainable Report 2014-15	1.70
	15	Celebration of Children's Day by TN Social Welfare Board	0.50
	16	Distribution of Flood Relief Materials	19.80
	17	Distribution of Basic Items in Thiruvottiyur area	5.00
	18	Distribution of Basic Items in North Chennai	3.00
	19	Expenditure for National Polio Programme	1.20
		<b>Grand Total (Manali+CBR)</b>	<b>133.02</b>
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 etc.,		
3. Have you done any impact assessment of your initiative?	Yes. The evaluation of CSR activities for the year 2014-15 including impact assessment was carried out by Madras School of Social Work.		
4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.	The Company has spent an amount of Rs.133.02 lakh during the financial year 2015-16 on various CSR activities with focus on Health, Education, Women Empowerment, Skill Development, Environment Protection and Renewable Sources of Energy.		
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, etc. are undertaken with focus on the economically and socially deprived sections of society, mostly in its refineries in Manali and Cauvery Basin, Nagapattinam.		
<b>9. Principle 9</b>			
1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	No customer complaints are pending as on 31.03.2016. Six complaints were received during the Financial Year 2015-16 and replied.		
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)	Yes. Our specialty products namely Food Grade Hexane and Paraffin Wax (All grades) follow Bureau of Indian Standards (BIS) guidelines for product information and 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 - VIII

### FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

as on financial year ended 31.03.2016

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

#### I REGISTRATION & OTHER DETAILS:

- i CIN L40101TN1965GOI005389
- ii Registration Date 30.12.1965
- iii Name of the Company CHENNAI PETROLEUM CORPORATION LIMITED
- iv Category/Sub-category of the Company SUBSIDIARY
- v Address of the Registered office & contact details NO, 536, ANNA SALAI, TEYNAMPET, CHENNAI - 600 018
- vi Whether listed Company YES
- vii Name, Address & contact details of the Registrar & Transfer Agent, if any. KARVY COMPUTERSHARE PVT. LTD., KARVY SELENIUM, TOWER B, PLOT 31 & 32, GACHIBOWLI, NANAKRAMGUDA, HYDERABAD - 500 032

#### 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		50.54%
2	MS		16.99%

#### 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 - 400 051	L23201MH1959GOI388	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, 88, Mount Road, Guindy, Chennai - 600 032	U1110TN1989PLC017403	Joint Venture	50	2(6)



## MGT 9 (IV) (i) Category - Wise Share Holding Between 31/03/2015 AND 31/03/2016

CATEGORY CODE	CATEGORY SHARE HOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31.03.2015				NO. OF SHARES HELD AT THE END OF THE YEAR 31.03.2016				% CHANGE DURING THE YEAR
		DEMAT (III)	PHYSICAL (IV)	TOTAL (V)	% OF TOTAL SHARES (VI)	DEMAT (VII)	PHYSICAL (VIII)	TOTAL (IX)	% OF TOTAL SHARES (X)	
(I)	(II)									(XI)
(A)	PROMOTER AND									
(1)	PROMOTER GROUP									
(a)	INDIAN									
(b)	Individual /HUF	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Central Government /	0	0	0	0.00	0	0	0	0.00	0.00
(d)	State Government(s)									
(e)	Bodies Corporate	77265200	0	77265200	51.89	77265200	0	77265200	51.89	0.00
(f)	Financial Institutions /									
(g)	Banks	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Others	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Sub-Total A(1) :	77265200	0	77265200	51.89	77265200	0	77265200	51.89	0.00
(2)	FOREIGN									
(a)	Individuals (NRIs/									
(b)	Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	22932900	0	22932900	15.40	22932900	0	22932900	15.40	0.00
(d)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Qualified Foreign									
(f)	Investor	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Others	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Sub-Total A(2) :	22932900	0	22932900	15.40	22932900	0	22932900	15.40	0.00
(i)	Total A=A(1)+A(2)	100198100	0	100198100	67.29	100198100	0	100198100	67.29	0.00
(B)	PUBLIC									
(1)	SHAREHOLDING									
(a)	INSTITUTIONS									
(b)	Mutual Funds /UTI	3073458	9000	3082458	2.07	5620139	9000	5629139	3.78	-1.71
(c)	Financial Institutions /									
(d)	Banks	19737120	100	19737220	13.25	12783352	100	12783452	8.58	4.67
(e)	Central Government /									
(f)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Foreign Institutional									
(j)	Investors	2940284	4200	2944484	1.98	10986362	4200	10990562	7.38	-5.40
(k)	Foreign Venture									
(l)	Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(m)	Qualified Foreign									
(n)	Investor	0	0	0	0.00	0	0	0	0.00	0.00
(o)	Others	0	0	0	0.00	0	0	0	0.00	0.00
(p)	Sub-Total B(1) :	25750862	13300	25764162	17.30	29389853	13300	29403153	19.75	-2.44



CATEGORY CODE	CATEGORY OF SHARE HOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31.03.2015				NO. OF SHARES HELD AT THE END OF THE YEAR 31.03.2016				% CHANGE DURING THE YEAR
		DEMAT (III)	PHYSICAL (IV)	TOTAL (V)	% OF TOTAL SHARES (VI)	DEMAT (VII)	PHYSICAL (VIII)	TOTAL (IX)	% OF TOTAL SHARES (X)	
(1)	(II)									(XI)
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	4105247	22900	4128147	2.77	3750177	22400	3772577	2.53	0.24
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	12038632	1242905	13281537	8.92	9447994	1213873	10661867	7.16	1.76
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	3913902	0	3913902	2.63	3424037	0	3424037	2.30	0.33
(c)	Others									
	CLEARING MEMBERS	154428	0	154428	0.10	240586	0	240586	0.16	-0.06
	FOREIGN NATIONALS	200	0	200	0.00	200	0	200	0.00	0.00
	NON RESIDENT COMPANIES	0	600	600	0.00	0	600	600	0.00	0.00
	NON RESIDENT INDIANS	726628	618200	1344828	0.90	524834	607700	1132534	0.76	0.14
	TRUSTS	125296	200	125496	0.08	77546	200	77746	0.05	0.03
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total B(2) :</b>	<b>21064333</b>	<b>1884805</b>	<b>22949138</b>	<b>15.41</b>	<b>17465374</b>	<b>1844773</b>	<b>19310147</b>	<b>12.97</b>	<b>2.44</b>
	Total B=B(1)+B(2) :	46815195	1898105	48713300	32.71	46855227	1858073	48713300	32.71	0.00
(C)	Total (A+B) :	147013295	1898105	148911400	100.00	147053327	1858073	148911400	100.00	0.00
	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public									
	<b>GRAND TOTAL (A+B+C) :</b>	<b>147013295</b>	<b>1898105</b>	<b>148911400</b>	<b>100.00</b>	<b>147053327</b>	<b>1858073</b>	<b>148911400</b>	<b>100.00</b>	

SHAREHOLDING PATTERN OF PROMOTERS HOLDINGS BETWEEN 31/03/2015 AND 31/03/2016											
					Share holding at the beginning of the Year					Cumulative Shareholding during the Year	
Sl. No.	Folio/Dpid-Clientid	Cate-gory	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	31/03/2015			77265200	51.89
			Closing Balance				31/03/2016			77265200	51.89
2	AADCN0259L	NIT	Opening Balance	NAFTIRAN INTER TRADE COMPANY LTD	22932900	15.40	31/03/2015			22932900	15.40
			Closing Balance				31/03/2016			22932900	15.40



SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2015 AND 31/03/2016											
					Shareholding at the beginning of the Year					Cumulative Shareholding during the Year	
Sl. No.	Folio/Dp id-Client id	Cate-gory	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	9362634	6.29	31/03/2015			9362634	6.29
			Sale				29/05/2015	-52750	Transfer	9309884	6.25
			Sale				12/06/2015	-150000	Transfer	9159884	6.15
			Sale				19/06/2015	-631732	Transfer	8528152	5.73
			Sale				26/06/2015	-218268	Transfer	8309884	5.58
			Sale				28/08/2015	-63019	Transfer	8246865	5.54
			Sale				04/09/2015	-134286	Transfer	8112579	5.45
			Sale				18/09/2015	-17689	Transfer	8094890	5.44
			Sale				25/09/2015	-75000	Transfer	8019890	5.39
			Sale				30/09/2015	-258051	Transfer	7761839	5.21
			Sale				02/10/2015	-99784	Transfer	7662055	5.15
			Sale				09/10/2015	-546214	Transfer	7115841	4.78
			Sale				16/10/2015	-209687	Transfer	6906154	4.64
			Sale				23/10/2015	-346132	Transfer	6560022	4.41
			Sale				30/10/2015	-502	Transfer	6559520	4.40
			Sale				11/12/2015	-50469	Transfer	6509051	4.37
			Sale				18/12/2015	-50000	Transfer	6459051	4.34
			Sale				18/03/2016	-137967	Transfer	6321084	4.24
			Sale				25/03/2016	-245017	Transfer	6076067	4.08
			Sale				31/03/2016	-338533	Transfer	5737534	3.85
			Closing Balance				31/03/2016			5737534	3.85
2	AAACN4165C	IFI	Opening Balance	THE NEW INDIA ASSURANCE COMPANY LIMITED	3821060	2.57	31/03/2015			3821060	2.57
			Sale				09/10/2015	-58622	Transfer	3762438	2.53
			Sale				16/10/2015	-140526	Transfer	3621912	2.43
			Sale				23/10/2015	-100852	Transfer	3521060	2.36
			Closing Balance				31/03/2016			3521060	2.36

3	AAATH1809A	MUT	Opening Balance	HDFC TRUSTEE COMPANY LTD HDFC MF MONTHLY INCOME PL	413000	0.28	31/03/2015				413000	0.28
			Purchase				10/04/2015	27500	Transfer		440500	0.30
			Purchase				01/05/2015	100000	Transfer		540500	0.36
			Purchase				08/05/2015	65000	Transfer		605500	0.41
			Purchase				15/05/2015	366400	Transfer		971900	0.65
			Purchase				29/05/2015	1338000	Transfer		2309900	1.55
			Purchase				26/06/2015	1463000	Transfer		3772900	2.53
			Purchase				30/06/2015	282000	Transfer		4054900	2.72
			Purchase				03/07/2015	200000	Transfer		4254900	2.86
			Sale				31/07/2015	-206147	Transfer		4048753	2.72
			Sale				07/08/2015	-769000	Transfer		3279753	2.20
			Purchase				14/08/2015	375000	Transfer		3654753	2.45
			Sale				14/08/2015	-300000	Transfer		3354753	2.25
			Purchase				06/11/2015	202000	Transfer		3556753	2.39
			Sale				06/11/2015	-80900	Transfer		3475853	2.33
			Purchase				20/11/2015	200000	Transfer		3675853	2.47
			Purchase				29/01/2016	244300	Transfer		3920153	2.63
			Sale				18/03/2016	-61383	Transfer		3858770	2.59
			Sale				25/03/2016	-50000	Transfer		3808770	2.56
			Closing Balance				31/03/2016				3808770	2.56
4	AAACG0615N	IFI	Opening Balance	GENERAL INSURANCE CORPORATION OF INDIA	3341644	2.24	31/03/2015				3341644	2.24
			Sale				07/08/2015	-200650	Transfer		3140994	2.11
			Sale				14/08/2015	-140994	Transfer		3000000	2.01
			Sale				28/08/2015	-62311	Transfer		2937689	1.97
			Sale				18/09/2015	-271179	Transfer		2666510	1.79
			Sale				25/09/2015	-28821	Transfer		2637689	1.77
			Sale				31/12/2015	-100000	Transfer		2537689	1.70
			Sale				18/03/2016	-50000	Transfer		2487689	1.67
			Closing Balance				31/03/2016				2487689	1.67



5	AAACU5552C	IFI	Opening Balance	UNITED INDIA INSURANCE COMPANY LIMITED	1913334	1.28	31/03/2015				1913334	1.28
			Sale				15/05/2015	-27432	Transfer		1885902	1.27
			Sale				22/05/2015	-66500	Transfer		1819402	1.22
			Sale				29/05/2015	-110000	Transfer		1709402	1.15
			Sale				05/06/2015	-125000	Transfer		1584402	1.06
			Sale				12/06/2015	-125000	Transfer		1459402	0.98
			Sale				19/06/2015	-125000	Transfer		1334402	0.90
			Sale				26/06/2015	-125000	Transfer		1209402	0.81
			Sale				30/06/2015	-25000	Transfer		1184402	0.80
			Sale				03/07/2015	-50000	Transfer		1134402	0.76
			Sale				10/07/2015	-125000	Transfer		1009402	0.68
			Sale				17/07/2015	-230000	Transfer		779402	0.52
			Sale				24/07/2015	-202497	Transfer		576905	0.39
			Sale				31/07/2015	-184223	Transfer		392682	0.26
			Sale				07/08/2015	-234368	Transfer		158314	0.11
			Sale				14/08/2015	-158314	Transfer		0	0.00
			Closing Balance				31/03/2016				0	0.00
6	AAAAI0038F	MUT	Opening Balance	ICICI PRUDENTIAL TOP 200 FUND	1618308	1.09	31/03/2015				1618308	1.09
			Sale				26/06/2015	-368308	Transfer		1250000	0.84
			Sale				10/07/2015	-300000	Transfer		950000	0.64
			Sale				14/08/2015	-100000	Transfer		850000	0.57
			Sale				21/08/2015	-850000	Transfer		0	0.00
			Closing Balance				31/03/2016				0	0.00

7	AAECM3575F	FII	Opening Balance	MORGAN STANLEY ASIA (SINGAPORE) PTE.	91452	0.06	31/03/2015		91452	0.06	
			Purchase				08/05/2015	21867	Transfer	113319	0.08
			Purchase				15/05/2015	25496	Transfer	138815	0.09
			Purchase				29/05/2015	524746	Transfer	663561	0.45
			Purchase				05/06/2015	115142	Transfer	778703	0.52
			Purchase				19/06/2015	4314	Transfer	783017	0.53
			Sale				26/06/2015	-1827	Transfer	781190	0.52
			Sale				30/06/2015	-22008	Transfer	759182	0.51
			Sale				03/07/2015	-26171	Transfer	733011	0.49
			Sale				10/07/2015	-175301	Transfer	557710	0.37
			Sale				17/07/2015	-418739	Transfer	138971	0.09
			Purchase				24/07/2015	129848	Transfer	268819	0.18
			Purchase				31/07/2015	88017	Transfer	356836	0.24
			Purchase				07/08/2015	174373	Transfer	531209	0.36
			Purchase				14/08/2015	152659	Transfer	683868	0.46
			Purchase				21/08/2015	864	Transfer	684732	0.46
			Purchase				28/08/2015	81372	Transfer	766104	0.51
			Sale				04/09/2015	-12674	Transfer	753430	0.51
			Sale				11/09/2015	-23940	Transfer	729490	0.49
			Purchase				18/09/2015	13196	Transfer	742686	0.50
			Sale				25/09/2015	-35901	Transfer	706785	0.47
			Sale				30/09/2015	-5521	Transfer	701264	0.47
			Sale				02/10/2015	-12072	Transfer	689192	0.46
			Sale				09/10/2015	-126819	Transfer	562373	0.38
			Sale				16/10/2015	-159055	Transfer	403318	0.27
			Sale				23/10/2015	-123162	Transfer	280156	0.19
			Purchase				06/11/2015	1873	Transfer	282029	0.19
			Sale				20/11/2015	-57807	Transfer	224222	0.15
			Sale				27/11/2015	-14043	Transfer	210179	0.14
			Purchase				04/12/2015	311815	Transfer	521994	0.35
			Purchase				11/12/2015	359531	Transfer	881525	0.59
			Purchase				18/12/2015	105914	Transfer	987439	0.66
			Purchase				25/12/2015	23385	Transfer	1010824	0.68
			Purchase				31/12/2015	25521	Transfer	1036345	0.70
			Purchase				08/01/2016	92130	Transfer	1128475	0.76
			Purchase				15/01/2016	31762	Transfer	1160237	0.78
			Purchase				22/01/2016	12665	Transfer	1172902	0.79
			Purchase				29/01/2016	-64378	Transfer	1108524	0.74
			Sale				05/02/2016	1605	Transfer	1110129	0.75
			Purchase				12/02/2016	2358	Transfer	1112487	0.75
			Purchase				19/02/2016	52521	Transfer	1165008	0.78
			Purchase				26/02/2016	43633	Transfer	1208641	0.81
			Purchase				04/03/2016	62974	Transfer	1271615	0.85
			Sale				11/03/2016	-46289	Transfer	1225326	0.82
			Sale				18/03/2016	-71868	Transfer	1153458	0.77
			Purchase				25/03/2016	44694	Transfer	1198152	0.80
			Purchase				31/03/2016	52513	Transfer	1250665	0.84
			Closing Balance				31/03/2016			1250665	0.84





8	AADCA1701E	LTD	Opening Balance	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	0	0.00	31/03/2015				0	0.00
			Purchase				27/11/2015	14000	Transfer		14000	0.01
			Purchase				04/12/2015	100000	Transfer		114000	0.08
			Purchase				11/12/2015	152000	Transfer		266000	0.18
			Purchase				18/12/2015	150000	Transfer		416000	0.28
			Purchase				25/12/2015	50000	Transfer		466000	0.31
			Purchase				08/01/2016	50000	Transfer		516000	0.35
			Purchase				15/01/2016	451200	Transfer		967200	0.65
			Purchase				22/01/2016	214362	Transfer		1181562	0.79
			Purchase				05/02/2016	49950	Transfer		1231512	0.83
			Purchase				12/02/2016	50	Transfer		1231562	0.83
			Sale				18/03/2016	-50000	Transfer		1181562	0.79
			Purchase				25/03/2016	20000	Transfer		1201562	0.81
			Purchase				31/03/2016	10000	Transfer		1211562	0.81
			Closing Balance				31/03/2016				1211562	0.81
9	AAMCA6207G	FPI	Opening Balance	ACADIAN EMERGING MARKETS SMALL CAP EQUITY FUND LLC	0	0.00	31/03/2015				0	0.00
			Purchase				17/07/2015	105660	Transfer		105660	0.07
			Purchase				24/07/2015	153307	Transfer		258967	0.17
			Purchase				07/08/2015	39383	Transfer		298350	0.20
			Purchase				21/08/2015	60559	Transfer		358909	0.24
			Purchase				04/09/2015	157916	Transfer		516825	0.35
			Purchase				25/09/2015	22516	Transfer		539341	0.36
			Purchase				09/10/2015	149819	Transfer		689160	0.46
			Purchase				06/11/2015	48149	Transfer		737309	0.50
			Purchase				20/11/2015	104413	Transfer		841722	0.57
			Purchase				29/01/2016	65829	Transfer		907551	0.61
			Purchase				31/03/2016	42777	Transfer		950328	0.64
			Closing Balance				31/03/2016				950328	0.64

10	AAATB0102C	MUT	Opening Balance	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C	872714	0.59	31/03/2015			872714	0.59
			Sale				08/05/2015	-25500	Transfer	847214	0.57
			Sale				15/05/2015	-226714	Transfer	620500	0.42
			Sale				22/05/2015	-20200	Transfer	600300	0.40
			Purchase				12/06/2015	125911	Transfer	726211	0.49
			Purchase				19/06/2015	409175	Transfer	1135386	0.76
			Purchase				26/06/2015	300320	Transfer	1435706	0.96
			Sale				10/07/2015	-200000	Transfer	1235706	0.83
			Sale				24/07/2015	-364500	Transfer	871206	0.59
			Sale				14/08/2015	-100000	Transfer	771206	0.52
			Purchase				25/09/2015	75000	Transfer	846206	0.57
			Purchase				13/11/2015	635000	Transfer	1481206	0.99
			Purchase				20/11/2015	50000	Transfer	1531206	1.03
			Purchase				04/12/2015	76000	Transfer	1607206	1.08
			Sale				22/01/2016	-39491	Transfer	1567715	1.05
			Purchase				04/03/2016	125000	Transfer	1692715	1.14
			Purchase				11/03/2016	77952	Transfer	1770667	1.19
			Closing Balance				31/03/2016			1770667	1.19
11	AAACN9967E	IFI	Opening Balance	NATIONAL INSURANCE COMPANY LTD	733329	0.49	31/03/2015			733329	0.49
			Sale				15/05/2015	-50000	Transfer	683329	0.46
			Sale				29/05/2015	-100000	Transfer	583329	0.39
			Sale				12/06/2015	-100000	Transfer	483329	0.32
			Sale				03/07/2015	-50000	Transfer	433329	0.29
			Sale				10/07/2015	-50000	Transfer	383329	0.26
			Sale				11/09/2015	-100000	Transfer	283329	0.19
			Sale				02/10/2015	-40000	Transfer	243329	0.16
			Sale				18/12/2015	-44612	Transfer	198717	0.13
			Sale				25/12/2015	-107096	Transfer	91621	0.06
			Closing Balance				31/03/2016			91621	0.06

12	AAACF7864J	FII	Opening Balance	RUSSELL INVESTMENT COMPANY PLC-RUSSELL EMERGING MA	0	0.00	31/03/2015			0	0.00
			Purchase				28/08/2015	436381	Transfer	436381	0.29
			Purchase				04/09/2015	75262	Transfer	511643	0.34
			Purchase				11/09/2015	103846	Transfer	615489	0.41
			Purchase				09/10/2015	58098	Transfer	673587	0.45
			Purchase				11/12/2015	201680	Transfer	875267	0.59
			Purchase				25/12/2015	59483	Transfer	934750	0.63
			Purchase				01/01/2016	65473	Transfer	1000223	0.67
			Sale				04/03/2016	-66577	Transfer	933646	0.63
			Sale				11/03/2016	-168694	Transfer	764952	0.51
			Sale				18/03/2016	-101061	Transfer	663891	0.45
			Closing Balance				31/03/2016			663891	0.45



13	AAFCG0345N	FII	Opening Balance	GOLDMAN SACHS (SINGAPORE) PTE	558446	0.38	31/03/2015	-3948	Transfer	558446	0.38
			Sale				10/04/2015	107777	Transfer	554498	0.37
			Purchase				08/05/2015	115018	Transfer	662275	0.44
			Purchase				15/05/2015	-251709	Transfer	777293	0.52
			Sale				05/06/2015	8783	Transfer	525584	0.35
			Purchase				12/06/2015	31029	Transfer	534367	0.36
			Purchase				19/06/2015	5608	Transfer	565396	0.38
			Purchase				26/06/2015	-104149	Transfer	571004	0.38
			Sale				30/06/2015	-108992	Transfer	466855	0.31
			Sale				03/07/2015	14060	Transfer	357863	0.24
			Purchase				10/07/2015	64920	Transfer	371923	0.25
			Purchase				17/07/2015	78132	Transfer	436843	0.29
			Purchase				24/07/2015	130208	Transfer	514975	0.35
			Purchase				31/07/2015	3536	Transfer	645183	0.43
			Purchase				07/08/2015	-9300	Transfer	648719	0.44
			Sale				28/08/2015	86332	Transfer	639419	0.43
			Purchase				04/09/2015	-36650	Transfer	725751	0.49
			Sale				11/09/2015	-51381	Transfer	689101	0.46
			Sale				18/09/2015	-52282	Transfer	637720	0.43
			Sale				25/09/2015	46759	Transfer	585438	0.39
			Purchase				30/09/2015	-48108	Transfer	632197	0.42
			Sale				02/10/2015	-154386	Transfer	584089	0.39
			Sale				09/10/2015	2465	Transfer	429703	0.29
			Purchase				16/10/2015	2124	Transfer	432168	0.29
			Purchase				30/10/2015	-9500	Transfer	434292	0.29
			Sale				06/11/2015	-103260	Transfer	424792	0.29
			Sale				20/11/2015	-181651	Transfer	321532	0.22
			Sale				27/11/2015	-139881	Transfer	139881	0.09
			Sale				04/12/2015	31788	Transfer	0	0.00
			Purchase				18/12/2015	33558	Transfer	31788	0.02
			Purchase				25/12/2015	63122	Transfer	65346	0.04
			Purchase				31/12/2015	87254	Transfer	128468	0.09
			Purchase				08/01/2016	138706	Transfer	215722	0.14
			Purchase				15/01/2016	90998	Transfer	354428	0.24
			Purchase				22/01/2016	-5392	Transfer	445426	0.30
			Sale				29/01/2016	3370	Transfer	440034	0.30
			Purchase				05/02/2016	66405	Transfer	443404	0.30
			Purchase				12/02/2016	182441	Transfer	509809	0.34
			Purchase				19/02/2016	90652	Transfer	692250	0.46
			Purchase				26/02/2016	99959	Transfer	782902	0.53
			Purchase				04/03/2016	37307	Transfer	882861	0.59
			Purchase				11/03/2016	177192	Transfer	920168	0.62
			Purchase				18/03/2016	154505	Transfer	1097360	0.74
			Purchase				25/03/2016	210817	Transfer	1251865	0.84
			Purchase				31/03/2016		Transfer	1462682	0.98
			Closing Balance				31/03/2016			1462682	0.98

14	AALP/0378F	PUB	Opening Balance	SUNIL KUMAR JAIN	532000	0.36	31/03/2015			532000	0.36
			Sale				29/05/2015	-25000	Transfer	507000	0.34
			Sale				12/06/2015	-20000	Transfer	487000	0.33
			Sale				19/06/2015	-30000	Transfer	457000	0.31
			Sale				26/06/2015	-20000	Transfer	437000	0.29
			Sale				10/07/2015	-25000	Transfer	412000	0.28
			Sale				21/08/2015	-25000	Transfer	387000	0.26
			Sale				25/09/2015	-25000	Transfer	362000	0.24
			Sale				30/09/2015	-10000	Transfer	352000	0.24
			Purchase				27/11/2015	7000	Transfer	359000	0.24
			Sale				18/12/2015	-25000	Transfer	334000	0.22
			Sale				31/12/2015	-5000	Transfer	329000	0.22
			Sale				08/01/2016	-35005	Transfer	293995	0.20
			Sale				15/01/2016	-14995	Transfer	279000	0.19
			Sale				22/01/2016	-46000	Transfer	233000	0.16
			Purchase				19/02/2016	5000	Transfer	238000	0.16
			Closing Balance				31/03/2016			238000	0.16
15	AACTA7181L	FII	Opening Balance	AUSTRALIAN SUPER	523800	0.35	31/03/2015			523800	0.35
			Closing Balance				31/03/2016			523800	0.35



(v) Shareholding of Directors & KMP

Sl No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No.of shares	% of total shares of the company
1	S.Venkataramana Director (Operations)	200	-	200	-

V INDEBTEDNESS

**Indebtedness of the Company including interest outstanding/  
accrued but not due for payment**

₹ Cr.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	3490.82	1908.24		5399.06
ii) Interest due but not paid				
iii) Interest accrued but not due	32.18	0.26		32.44
<b>Total (i+ii+iii)</b>	<b>3523.00</b>	<b>1908.50</b>	<b>0.00</b>	<b>5431.50</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	1953.98	29205.49		31159.47
Reduction	4432.86	28565.19		32998.05
<b>Net Change</b>	<b>-2478.88</b>	<b>640.30</b>	<b>0.00</b>	<b>-1838.58</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1011.94	2548.54		3560.48
ii) Interest due but not paid				
iii) Interest accrued but not due	21.42	0.32		21.74
<b>Total (i+ii+iii)</b>	<b>1033.36</b>	<b>2548.86</b>	<b>0.00</b>	<b>3582.21</b>

# VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole time director and/or Manager:

₹ Lakhs

SLNo	Particulars of Remuneration	Name of the MD /WTD /Manager				Total Amount
1	Gross salary	Gautam Roy (MD)	U.Venkata Ramana - (DT)	S.Krishna Prasad - (DF)	S.Venkataramana - (DO)	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	24.71	25.10	22.93	29.66	102.40
2	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	5.85	4.39	4.57	4.42	19.23
3	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961					
4	Stock option					
5	Sweat Equity					
	Commission as % of profit others (specify)					
	Others, please specify					
	<b>Total (A)</b>	<b>30.56</b>	<b>29.49</b>	<b>27.50</b>	<b>34.08</b>	<b>121.63</b>
	<b>Ceiling as per the Act</b>	Not Applicable to Government company				

## B. Remuneration to other directors:

₹ Lakhs

SLNo	Particulars of Remuneration	Name of the Directors	
1	<b>Independent Directors</b>	<b>G.Ramaswamy</b>	<b>TOTAL</b>
	(a) Fee for attending board / committee meetings	3.8	3.8
	(b) Commission		
	(c) Others, please specify		
	Total (1)	3.8	3.8
2	<b>Other Non Executive Directors</b>		
	(a) Fee for attending board / committee meetings		
	(b) Commission		
	(c) Others, please specify		
	Total (2)		
	Total (B)=(1+2)	3.8	3.8
	Total Managerial Remuneration		
	Overall Ceiling as per the Act.		NA





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

Rs.Lakhs

Particulars of Remuneration		Key Managerial Personnel				
SLNo			Company Secretary			Total
1	Gross Salary					
2	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.		20.91			20.91
3	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		2.13			2.13
4	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961					
5	Stock Option Sweat Equity Commission as % of profit others, specify Others, please specify					
	<b>Total</b>		<b>23.04</b>			<b>23.04</b>

## VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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



## ***Standalone Financial Statements***

<i>Independent Auditors' Report</i>	⇒ 94-102
<i>Balance Sheet</i>	⇒ 103
<i>Statement of Profit and Loss Account</i>	⇒ 104
<i>Cash Flow Statement</i>	⇒ 105-106
<i>Notes to the Accounts</i>	⇒ 107-137

**INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
Chennai Petroleum Corporation Limited  
Chennai

**REPORT ON THE FINANCIAL STATEMENTS:**

We have audited the accompanying financial statements of Chennai Petroleum Corporation Limited ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS:**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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.

**AUDITOR'S RESPONSIBILITY:**

Our responsibility is to express an opinion on these 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also



includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **OPINION:**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:**

- 1. As required under 143 (5) of The Companies Act, 2013, we give in the Annexure I of our report on the 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 A statement on the matters specified in paragraphs 3 and 4 of the Order.
- 3. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) Clauses referred to Section 164 (2) of the Companies Act 2013 does not apply to directors of Government Companies as per the notification.
  - f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in Annexure "B".
  - g) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:

- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer note: 28(1)(a) to 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.

**For R.Subramanian and Company**

**Chartered Accountants**

FRN: 004137S

**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 : 23rd May 2016



## **ANNEXURE - I 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 31<sup>st</sup> March 2016.

On the basis of checks as we considered appropriate and according to the information and explanations given to us during the 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 waiver / write off in the normal course of business which are based on facts of such cases and approval as per delegation of authority.
- c) The company has maintained adequate records in respect of inventories lying with third parties. No assets have been received as gifts from Government and Other authorities during the year.

**For R.Subramanian and Company**

**Chartered Accountants**

FRN: 004137S

**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 : 23rd May 2016

## **ANNEXURE - A 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 31<sup>st</sup> March 2016.**

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:

1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of its 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 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.
2. According to the Information and explanation given to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
3. 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 Companies Act, 2013. Consequently, the provisions of clauses 3(a) and 3(b) are not applicable.
4. The company has not provided any loan or investments or Guarantees or Securities which falls under the purview of Sec 185 and Sec 186 of Companies Act 2013.
5. 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 Companies Act, 2013 and Companies (Acceptance of Deposits) amended Rules, 2015 are not applicable.
6. 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 sub-section 1 of Section 148 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.
7. (a) According to the information and explanations given to us, the Company is regular in depositing with the appropriate authorities the undisputed statutory dues in the case of Provident Fund, Employees' State Insurance and Tax deducted at source. 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, 2016 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 31<sup>st</sup> March 2016 are given in the Annexure "II" to our report.





8. 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 and debenture holders.
9. 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 (including debt instruments) and hence this clause is not applicable.
10. According to the information and explanations given to us, by the Company, no fraud on or by the Company has been noticed or reported, during the year.
11. The managerial remuneration paid by the company is as per the Sec 197 of The Companies Act 2013 and Schedule V of the Companies Act 2013.
12. The Company is not a Nidhi company hence this clause is not applicable.
13. All transactions mentioned are in compliance with Sec 177 and Sec 188 of the Companies Act 2013 and are disclosed as required under the applicable Accounting Standard.
14. The Company has made a preferential allotment of Non Convertible Redeemable Preference Shares for Rs 100000/- lakhs and the company has complied with the requirements of Sec 42 of the Companies Act 2013 and the amounts raised were used for the purpose for which the funds were raised.
15. The company has not entered into any non-cash transactions with the Directors or the persons connected with him which will come under the purview of Sec 192 of the Companies Act 2013.
16. As the Company is not in non banking financial services this clause is not applicable.

**For R.Subramanian and Company**  
**Chartered Accountants**  
FRN: 004137S

**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 : 23rd May 2016

**Statement of Disputed Dues**

<b>Name of the Statute</b>	<b>Nature of the dues</b>	<b>Disputed Amounts (₹ in Lakhs) (Including Interest)</b>	<b>Amount paid under protest / Predeposit (₹ in Lakhs)</b>	<b>Period to which the amount relates</b>	<b>Forum where the dispute is pending</b>
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	5592.08	-	2007-08	High Court (Tamil Nadu)
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	1029.75	470.16	2007-08	Tribunal & Dy. Commissioner CT - III Tamil Nadu
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	6871.86	-	2008-09	High Court (Tamil Nadu)
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	399.73	129.18	2008-09	Tribunal & Dy. Commissioner CT - III Tamil Nadu
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	3916.48	-	2009-10	High Court (Tamil Nadu)
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	1543.07	762.80	2009-10	Tribunal & Dy. Commissioner CT - III Tamil Nadu
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	1624.00	812.00	2012-13 , 2013-14 , 2014-15 ( Upto Oct'14)	Joint Commissioner Appeal
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	26223.00	2627.07	2010-11	High Court (Tamil Nadu)
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	10114.00	1264.44	2011-12	Joint Commissioner Appeal
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	2122.90	530.73	Nov-2014 to March 2015	Joint Commissioner Appeal
Andhra Pradesh Value Added Tax Act	Value Added Tax Dues	1731.81	626.20	Apr 2005 to Nov 2007	AP State Appellate Tribunal
Central Sales Tax Act	Sales Tax Dues	161.99	-	1991-92	Dy. Commissioner CT - III Tamil Nadu
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	25.62	1.92	2015-16	Commissioner Appeal
Income Tax Act	Income Tax Dues	2749.50	1228.00	AY 2011-12	Commissioner of Income Tax ( Appeals)
Income Tax Act	Income Tax Dues	2226.58	-	AY 2010-11	Commissioner of Income Tax ( Appeals)



## **ANNEXURE - B TO THE AUDITORS' REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 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 31<sup>st</sup> March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 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 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 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 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 31<sup>st</sup> March 2016, 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**  
**Chartered Accountants**  
FRN: 004137S

**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 : 23rd May 2016



## Standalone Balance Sheet as at March 31, 2016

(₹ in lakhs)

Particulars	Note No.	March 31, 2016	March 31, 2015
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds:</b>			
a) Share Capital	2	114900.46	14900.46
b) Reserves and Surplus	3	214766.94	150607.25
		<b>329667.40</b>	165507.71
<b>(2) Non-Current Liabilities</b>			
a) Long-term borrowings	4	100000.00	100000.00
b) Deferred tax liabilities (Net)	5	-	-
c) Other Long-term liabilities	6	409.48	482.40
d) Long-term provisions	7	5097.69	4561.44
		<b>105507.17</b>	105043.84
<b>(3) Current liabilities</b>			
a) Short-term borrowings	8	256048.25	339905.94
b) Trade payables	9	248180.39	323446.57
c) Other current liabilities	6	72264.37	152236.52
d) Short-term provisions	7	18726.32	9321.54
		<b>595219.33</b>	824910.57
<b>TOTAL</b>		<b>1030393.90</b>	1095462.12
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
a) Fixed Assets			
i) Tangible Assets	10	408378.09	407035.62
ii) Intangible Assets	11	475.78	644.42
iii) Capital Work-in-Progress	12	164249.99	77645.89
iv) Intangible Assets under development	13	596.98	596.98
		<b>573700.84</b>	485922.91
b) Non-current investments	14	1422.95	2542.40
c) Long-term loans and advances	15	14794.87	12726.02
		<b>589918.66</b>	501191.33
<b>(2) Current Assets</b>			
a) Inventories	17	320572.74	380509.02
b) Trade receivables	18	76139.61	182810.73
c) Cash and Bank Balances	19	3886.17	3990.53
d) Short-term loans and advances	15	39489.23	26846.12
e) Other current assets	16	387.49	114.39
		<b>440475.24</b>	594270.79
<b>TOTAL</b>		<b>1030393.90</b>	1095462.12
<b>Statement of Significant Accounting Policies</b>	1		
<b>Notes on Financial Statement</b>	2 to 33		

(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**  
**Chartered Accountants**  
FRN: 004137S

**R. Rajaram**  
**Partner**  
Membership No. 025210  
Place : Chennai  
Date : May 23, 2016

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

**V C Krishnan**  
**Partner**  
Membership No. 022167

**Standalone Statement of Profit and Loss for the year ended March 31, 2016**

(₹ in Lakhs)

Particulars	Note No.	March 31, 2016	March 31, 2015
<b>I. Revenue from Operations (Gross)</b>	20	3496757.92	4789630.40
<b>Less: Excise Duty</b>		897341.68	603033.84
<b>Revenue from Operations (Net)</b>		<b>2599416.24</b>	4186596.56
<b>II. Other Income</b>	21	<b>3660.54</b>	3670.31
<b>III. Total Revenue</b>		<b>2603076.78</b>	4190266.87
<b>IV. Expenses:</b>			
Cost of materials consumed	22	<b>2275404.06</b>	3925216.65
Purchase of Stock-in-Trade	30	<b>29267.82</b>	28165.43
Changes in Inventories of finished goods and Work-in-progress (Increase) / Decrease	23	<b>20856.62</b>	132080.53
Employee benefits expense	24	<b>35390.58</b>	33870.55
Finance costs	25	<b>30934.84</b>	40373.07
Depreciation and Amortisation on :			
a) Tangible Assets	10	26388.13	22475.99
b) Intangible Assets	11	177.74	136.34
		<b>26565.87</b>	22612.33
Other expenses	26	<b>105911.86</b>	81740.91
Total expenses		<b>2524331.65</b>	4264059.47
<b>V. Profit / (Loss) before Prior Period, Exceptional and Extraordinary Items and Tax</b>		<b>78745.13</b>	(73792.60)
<b>VI. Income / (Expenses) pertaining to previous years (Net)</b>	27	-	(446.14)
<b>VII. Profit / (Loss) before Exceptional and Extraordinary Items and Tax</b>		<b>78745.13</b>	(74238.74)
<b>VIII. Exceptional Items</b>		-	-
<b>IX. Profit / (Loss) before Extraordinary Items and Tax</b>		<b>78745.13</b>	(74238.74)
<b>X. Extraordinary Items</b>		-	-
<b>XI. Profit / (Loss) Before Tax</b>		<b>78745.13</b>	(74238.74)
<b>XII. Tax expenses:</b>			
(a) Current tax		<b>1676.78</b>	-
(b) Deferred tax		-	-
(c) Deferred tax - Prior period	5	-	(70339.89)
<b>XIII. Profit / (Loss) for the period from continuing operations (XI-XII)</b>		<b>77068.35</b>	(3898.85)
<b>XIV. Profit / (Loss) from discontinuing operations</b>		-	-
<b>XV. Tax expense of discontinuing operations</b>		-	-
<b>XVI. Profit / (Loss) from discontinuing operations(after tax) (XIV-XV)</b>		-	-
<b>XVII. Profit / (Loss) for the period (XIII+XVI)</b>		<b>77068.35</b>	(3898.85)
<b>XVIII. Earning per equity share:</b>			
(a) Basic (₹)		<b>48.96</b>	(2.62)
(b) Diluted (₹)		<b>48.96</b>	(2.62)
Face Value per share (₹)		<b>10.00</b>	10.00
<b>Statement of Significant Accounting Policies</b>	1		
<b>Notes on Financial Statement</b>	2 to 33		

(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**  
**Chartered Accountants**

FRN: 004137S

**R. Rajaram**

**Partner**

Membership No. 025210

Place : Chennai

Date : May 23, 2016

**For S. VISWANATHAN LLP**  
**Chartered Accountants**

FRN: 004770S / S200025

**V C Krishnan**

**Partner**

Membership No. 022167



# STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lakhs)

Particulars	March 31, 2016	March 31, 2015
<b>A. Cash Flow from Operating Activities</b>		
Profit Before Tax	78745.13	(74238.74)
Adjustments for :		
Depreciation and Amortisation	26565.87	22612.33
Income from Long - term Investment	(670.26)	(652.05)
Profit on Sale of Assets	(721.51)	(6.43)
Liabilities/Prov. for Claims written back	(382.68)	(702.72)
Provision for		
a) Doubtful Debts, Advances, Claims	-	116.60
b) Capital Work in Progress	1070.14	-
c) Stores, Spares and Consumables, Others etc.,	391.71	565.93
Loss on Assets Sold /Discarded	72.10	592.75
Amortisation of Premium on Forward Contracts	968.26	151.65
Finance Cost	30934.84	40373.07
Interest income from short term investment	(12.31)	(105.68)
<b>B. Operating Profit Before Working Capital Changes</b>	<b>136961.29</b>	<b>(11293.29)</b>
<b>C. Changes in Working Capital</b>		
(Excluding Cash & Bank Balances)		
Trade and Other Receivables	92143.73	31270.77
Inventories	59544.57	288582.38
Trade and Other Payables	(55844.83)	(200724.96)
Change in Working Capital	95843.47	119128.19
<b>D. Cash generated from Operations ( B + C )</b>	<b>232804.76</b>	<b>107834.89</b>
<b>E. Less : Direct Taxes Paid</b>	<b>(2213.06)</b>	<b>-</b>
<b>F. Net Cash Flow from Operating Activities ( D + E )</b>	<b>230591.70</b>	<b>107834.89</b>
<b>G. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(117183.67)	(48379.48)
Sale of Assets	834.50	18.90
Investments (Net)	1198.00	-
Interest Income	12.31	105.68
Income from long term investment	591.70	591.70
<b>Net Cash used in Investment Activities</b>	<b>(114547.16)</b>	<b>(47663.19)</b>



(Contd.,)  
( ₹ in Lakhs)

Particulars	March 31, 2016	March 31, 2015
<b>H. Net Cash Flow from Financing Activities</b>		
Proceeds from / (Repayments of) Long Term Borrowings	(100000.00)	(14742.29)
Proceeds from / (Repayments of) Short Term Borrowings	(84222.65)	(5465.52)
Proceeds from issue of Preference Share Capital	100000.00	-
Interest Paid	(31926.25)	(40575.84)
Net Cash Generated/(Used) from Financing Activities	(116148.90)	(60783.65)
<b>I. Net change in Cash &amp; Bank Balances (F + G + H)</b>	<b>(104.36)</b>	<b>(611.96)</b>
<b>J. Cash and Bank Balances at the end of Financial Year</b>	<b>3886.17</b>	<b>3990.53</b>
<b>K. Cash and Bank Balances at the beginning of Financial Year</b>	<b>3990.53</b>	<b>4602.49</b>
<b>Net Change in Cash and Bank Balances (J-K)</b>	<b>(104.36)</b>	<b>(611.96)</b>
Notes :		
<b>1. Cash and Bank Balances at the end of Financial Year</b>	<b>3886.17</b>	<b>3990.53</b>
Less :		
<b>Bank Balances with Scheduled Banks :</b>		
a) Current Account (Earmarked balances)	3388.87	3501.59
b) Deposit Account held with bank for other commitments	488.12	459.55
<b>Cash and Cash Equivalents Total</b>	<b>9.18</b>	<b>29.39</b>
<b>2. The Previous year's figures have been regrouped wherever necessary for uniformity in presentation</b>		

(Gautam Roy)  
Managing Director

(S. Krishna Prasad)  
Director (Finance)  
As per our Report of even date

(P.Shankar)  
Company Secretary

**For R. SUBRAMANIAN AND COMPANY**  
Chartered Accountants  
FRN: 004137S

**R. Rajaram**  
Partner  
Membership No. 025210

Place : Chennai  
Date : May 23, 2016

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

**V C Krishnan**  
Partner  
Membership No. 022167



## NOTE 1

### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### 1. BASIS OF PREPARATION

- 1.1 The financial statements are prepared under historical cost convention in accordance with the mandatory accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 1.2 The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities as at the date of the financial statements. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from estimates.

#### 2. FIXED ASSETS

##### 2.1 Tangible Assets

- 2.1.1 Fixed assets are stated at cost of acquisition less accumulated depreciation / amortization. Cost of acquisition comprises purchase price including duties and other non recoverable taxes or levies net of discounts/rebate, and all directly attributable cost of bringing the asset to its working condition for its intended use.
- 2.1.2 Land acquired on perpetual lease as well as on lease for over 99 years is treated as free hold land.
- 2.1.3 Land acquired on lease for 99 years or less is treated as leasehold land.
- 2.1.4 Technical know-how / license fee relating to plants/facilities are capitalised as part of cost of the underlying asset.

##### 2.2 Capitalisation of Construction Period Expenses

- 2.2.1 Revenue expenses exclusively attributable to projects incurred during construction period are capitalised.
- 2.2.2 Financing cost incurred during construction period on loans specifically borrowed and utilised for projects is capitalised on quarterly basis up to the date of capitalisation.
- 2.2.3 Financing cost, if any, incurred on general borrowings used for projects is capitalised at the weighted average cost.

##### 2.3 Capital Stores

- 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 accounted for as intangible assets and amortized on a straight line basis over a period of ten years or life of the said plant/facility, whichever is earlier.
- 2.4.2 Expenditure incurred on Research and Development, other than on capital account, is charged to revenue.
- 2.4.3 Costs incurred on computer software purchased/developed on or after 1st April 2003, resulting in future economic benefits are capitalized as Intangible Asset and amortised over a period of three years beginning from the quarter in which such software is capitalized. However, where such computer software is still in development stage, costs incurred during the development stage of such software are accounted as 'Intangible Assets Under Development'.
- 2.4.4 Cost of Right of way for laying pipelines is capitalised and amortised on a straight line basis over the period of such Right of way or 99 years whichever is less.

##### 2.5 Depreciation / Amortisation

- 2.5.1 Cost of tangible fixed assets (net of residual value) is depreciated on straight-line method on the useful life prescribed in Schedule II to the Companies Act, 2013. Depreciation is charged pro-rata on quarterly basis on assets, from/up to the quarter of capitalisation/sale, disposal/ 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 asset separately.

Residual value is considered between 1% to 5% of cost of assets. Further, in case of catalyst with noble metal content, residual value is considered based on the value of noble metal content.

- 2.5.2 Assets costing upto ₹ 5000/- per item are depreciated fully in the year of capitalisation. Insurance spares are depreciated fully over the remaining useful life of the main asset. Further, components like catalyst without noble metal content and major overhaul/inspection are also depreciated fully.
- 2.5.3 Capital expenditure on assets on which the ownership and control does not vest with the company are charged to revenue in the year in which it is incurred.
- 2.5.4 Cost of leasehold land (including premium) for 99 years or less is amortised over the lease period.

## **2.6 Impairment of Assets**

As at each balance sheet date, the carrying amount of Cash Generating Units/Assets is tested for impairment so as to determine:

- (a) the provision for impairment loss, if any, required; or
- (b) the reversal, if any, required of impairment loss recognized in previous periods.

Impairment loss is recognised where the carrying amount of an asset exceeds recoverable amount.

## **3. OPERATING LEASES (Other than Land leases)**

Lease rentals are recognised as expense or income on a straight line basis with reference to lease terms except where another systematic basis is more representative of the time pattern of the benefit derived from the asset taken or given on lease.

## **4. BORROWING COST**

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.

## **5. FOREIGN CURRENCY TRANSLATION**

- 5.1 Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transactions.
- 5.2 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.
- 5.3 Non-monetary items denominated in foreign currency (such as investments, fixed assets etc) are valued at the exchange rate prevailing on the date of transaction.
- 5.4 (a) Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit & Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency monetary items relating to acquisition of depreciable assets.  
(b) Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the assets.
- 5.5 Premium/discount arising at the inception of the forward exchange contracts entered into to hedge foreign currency risks are amortised 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.

## **6. INVESTMENTS**

- 6.1 Long-term investments are carried at cost and provision for diminution in the value thereof other than temporary in nature, is accounted.
- 6.2 Current investments are carried at lower of cost or market value.

## **7. INVENTORIES**

### **7.1 Raw Materials**

- 7.1.1 Crude oil is valued at cost determined on weighted average basis or net realisable value, whichever is lower.
- 7.1.2 Crude oil in-transit is valued at cost or net realisable value, whichever is lower.



## 7.2 **Stock-in-process**

Stock-in-process is valued at raw material cost plus fifty percent of the cost of conversion or net realisable value, whichever is lower.

## 7.3 **Finished Products**

7.3.1 Finished products are valued at cost determined on 'First-in-First-out' basis or net realisable value, whichever is lower. Cost of finished products is determined based on crude cost and processing cost.

7.3.2 Imported products in-transit is valued at CIF cost or net realisable value, whichever is lower.

## 7.4 **Stores and Spares**

7.4.1 Stores and Spares are valued at weighted average cost. 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 percent 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.

7.4.2 Stores and Spares in transit are valued at cost.

## 8. **CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

### 8.1 **Contingent Liabilities**

8.1.1 Show Cause Notices issued by various Government Authorities are not considered as obligations.

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

8.1.3 The treatment in respect of disputed obligations, in each case above ₹ 5 lakhs, is 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.

### 8.2 **Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account above ₹ 5 lakhs in each case are considered for disclosure.

## 9. **REVENUE RECOGNITION**

9.1 Revenue from sale of goods is recognised when significant risks and rewards are transferred to customers in accordance with the terms of sale.

9.2 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.

9.3 Other claims (including interest on outstandings) are accounted:

a) When there is certainty that the claims are realizable

b) Generally at cost

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

9.5 Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

9.6 Income and expenditure are disclosed as prior period items only when the value exceeds ₹ 5 lakhs in each case.

9.7 Prepaid Expenses upto ₹ 5 lakhs in each case are charged to revenue.

## 10. **TAXES ON INCOME**

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Deferred Tax Liability / Asset resulting from 'timing difference' between book and taxable profit is accounted for considering the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

**11. EMPLOYEE BENEFITS**

**11.1 Short Term Benefits:**

Short Term Employee Benefits are accounted in the period during which the services have been rendered.

**11.2 Post-Employment Benefits and Other Long Term Employee Benefits:**

11.2.1 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. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company and charged to Statement of Profit and Loss.

11.2.2 The Company operates defined benefit plans for Gratuity. 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 and are administered through a fund maintained by Insurance Company. Actuarial gains/losses are charged to Statement of Profit and Loss.

11.2.3 The liability of the Company in respect of superannuation scheme is restricted to the fixed contribution paid by the Company on a monthly basis towards the defined contribution scheme maintained by Insurance Company, which is charged off to revenue.

11.2.4 Obligations on Compensated Absences, Post Retirement Medical Benefits and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year.

**11.3 Termination Benefits:**

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

**12. CASH AND CASH EQUIVALENT**

Cash and Cash equivalent includes cash at bank and on hand and also all highly liquid investment that are readily convertible into known amounts of cash.

**13. 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.

**14. COMMODITY HEDGING**

The realized gain or loss in respect of commodity hedging contracts, the pricing period of which has expired during the year are recognised in the Statement of Profit and Loss. However, in respect of those contracts the pricing period of which extends beyond the balance sheet date suitable provision for likely loss, if any, is made.



## NOTE "2" - SHARE CAPITAL

(₹ in Lakhs)

Particulars	Note	March 31, 2016	March 31, 2015
<b>(1) Authorised</b>			
40,00,00,000 (2015: 40,00,00,000)			
Equity Shares of ₹ 10 each		40000.00	40000.00
100,00,00,000 (2015: NIL)			
Non-Convertible Cumulative Redeemable Preference Shares of ₹10 each		100000.00	-
		<b>140000.00</b>	40000.00
<b>(2) Issued :</b>			
17,00,00,000 (2015: 17,00,00,000)			
Equity Shares of ₹ 10 each	(i)	17000.00	17000.00
1,00,00,00,000 (2015: NIL)			
Non-Convertible Cumulative Redeemable Preference Shares of ₹10 each	(ii)	100000.00	-
		<b>117000.00</b>	17000.00
<b>(3) Subscribed, Called-up and Paid-up :</b>			
14,89,11,400 (2015: 14,89,11,400)			
Equity Shares of ₹ 10 each		14891.14	14891.14
Add: Forfeited Shares (amount originally paid up)		9.32	9.32
Total Paid up Equity share Capital		<b>14900.46</b>	14900.46
1,00,00,00,000 (2015: NIL)			
Non-Convertible Cumulative Redeemable Preference Shares of ₹10 each	(ii)	100000.00	-
Total Paid up Preference share Capital		<b>100000.00</b>	-
<b>TOTAL</b>		<b>114900.46</b>	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.

### (4) Reconciliation of No. of Shares (Opening and Closing)

	March 31, 2016		March 31, 2015	
	Equity	Preference	Equity	Preference
Opening Balance	148911400	-	148911400	-
Add: Bonus Shares issued during the year	-	-	-	-
Add: Shares allotted during the year	-	1000000000	-	-
Less: Shares bought back	-	-	-	-
Closing Balance	<b>148911400</b>	<b>1000000000</b>	148911400	-

### (5) 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.

**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.

**(6) Shares held by Holding Company**

(₹ in lakhs)

	March 31, 2016	March 31, 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
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.	100000.00	-

**(7) Details of shareholders holding more than 5% shares**

**Equity Shares**

S.No.	Name of Shareholder	March 31, 2016		March 31, 2015	
		Number of Shares held	Percentage of Holding	Number of Shares held	Percentage of Holding
a)	Indian Oil Corporation Limited	7,72,65,200	51.89	7,72,65,200	51.89
b)	Naftiran Intertrade Company Limited	2,29,32,900	15.40	2,29,32,900	15.40

**Preference Shares**

S.No.	Name of Shareholder	March 31, 2016		March 31, 2015	
		Number of Shares held	Percentage of Holding	Number of Shares held	Percentage of Holding
a)	Indian Oil Corporation Limited	1,00,00,000	100.00	-	-




**NOTE " 3 " - RESERVES AND SURPLUS**

(₹ in Lakhs)

Particulars	March 31, 2016	March 31, 2015
<b>(1) Capital Redemption Reserve :</b>		
Opening balance	-	
Addition	<u>20000.00</u>	
	<b>20000.00</b>	-
<b>(2) Securities Premium Reserve :</b>		
Opening balance	<b>25003.82</b>	25003.82
<b>(3) Debenture Redemption Reserve :</b>		
Opening balance	-	
Addition	<u>15000.00</u>	
	<b>15000.00</b>	-
<b>(4) General Reserve :</b>		
Opening balance	<b>336571.15</b>	339409.41
Less : Carrying amount of assets less residual value of assets whose remaining useful life has become 'Nil' ( Refer Note : 10)	<u>(1584.63)</u>	<u>(2838.26)</u>
	<b>334986.52</b>	<b>336571.15</b>
<b>(5) Surplus :</b>		
Opening balance	<b>(210967.72)</b>	(207068.87)
Add: Profit / ( Loss ) for the Year	<b>77068.35</b>	(3898.85)
Less: Deductions		
Capital Redemption Reserve	<b>20000.00</b>	-
Debenture Redemption Reserve	<b>15000.00</b>	-
Proposed Dividend on Preference Shares	<b>3452.19</b>	-
Proposed Dividend on Equity Shares	<b>5956.46</b>	-
Dividend Distribution Tax	<b>1915.38</b>	-
Transfer to General Reserve	<u>-</u>	<u>-</u>
<b>Total</b>	<b>(180223.40)</b>	<b>(210967.72)</b>
<b>TOTAL</b>	<b>214766.94</b>	<b>150607.25</b>

**NOTE " 4 " - LONG TERM BORROWINGS**

(₹ in Lakhs)

Particulars	Note	Non Current March 31, 2016	March 31, 2015	Current Maturities March 31, 2016	March 31, 2015
<b>(1) SECURED LOANS</b>					
<b>Debentures :</b>					
10000 Nos. of 9.65% Secured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - II	(i)	<b>100000.00</b>	100000.00	-	-
10000 Nos. of 8.85% Secured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - I	(ii)	-	-	-	100000.00
<b>TOTAL</b>		<b>100000.00</b>	<b>100000.00</b>	<b>-</b>	<b>100000.00</b>

**Nature of Security and Terms of repayment for Secured Loans**

Nature of Security	Terms of Repayment
(i) Secured Redeemable Non Convertible Debentures (Series-II) - First Charge on the 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. The valuation of such security is based on valuation report obtained at the time of creation of charge.	Principal repayable at the end of 5 years from 10.01.2014 being date of allotment. Interest payable annually on 10th January at the rate of 9.65% p.a.
(ii) The Company has redeemed Non Convertible Debenture (Series I) amounting to ₹ 100000 Lakhs on 18.02.2016 by exercising Call option.	

**NOTE "5" - DEFERRED TAX LIABILITIES / (ASSETS) (NET)**

Due to future taxable income arising on account of reversal of timing 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 of ₹ 77956.16 lakhs.

(₹ in Lakhs)

Particulars	March 31, 2016	March 31, 2015
<b>Deferred Tax Liability:</b>		
Related to Fixed Assets	<b>77865.35</b>	75767.49
Retirement benefits to employees	<b>90.81</b>	-
<b>Total Deferred Tax Liability (A)</b>	<b>77956.16</b>	75767.49
<b>Deferred Tax Assets:</b>		
Carry forward Business Loss / Unabsorbed Depreciation	<b>77956.16</b>	75767.49
<b>Total Deferred Tax Assets (B)</b>	<b>77956.16</b>	75767.49
<b>Deferred Tax Liability (Net) TOTAL (A-B)</b>	<b>-</b>	<b>-</b>

# **NOTE "6" - OTHER LIABILITIES**

(₹ in Lakhs)

Particulars	Note	Non Current		Current	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
(1) Current Maturities of Long-Term Debt (Refer Note 4 (1)(ii))		-	-	-	100000.00
(2) Interest accrued but not due on loans		-	-	2173.73	3243.75
(3) Unpaid Dividend	(i)	-	-	3388.87	3501.59
(4) Liability on Foreign Currency Forward Contracts	(ii)		44328.29		-
Less: Foreign Currency Receivables on Forward Contracts		-	(43725.00)	603.29	-
(5) Security Deposits		409.48	482.40	2486.56	1747.24
(6) Others		-	-	63611.92	43743.94
Statutory Liabilities		-	-	40569.33	28646.62
Sundry Creditors - Projects		-	-	15020.14	8707.39
Employee Liabilities & Others		-	-	8022.45	6389.93
<b>TOTAL</b>		<b>409.48</b>	<b>482.40</b>	<b>72264.37</b>	<b>152236.52</b>

(i) There are no amounts due for payment to the Investor Education and Protection Fund as at the year end. Balance as at 31<sup>st</sup> March 2016 includes ₹ 3210.61 Lakhs (2015 : ₹ 3210.61 Lakhs) of unpaid dividend to Naftiran Inter trade company Limited (NICO) for the financial years ending 2011 and 2012 which could not be remitted due to sanctions imposed by US / European Union against Iran.

(ii) Refer Sl. No 9 of Note 28.



**NOTE " 7 " - PROVISIONS**

( ₹ in Lakhs)

<b>PARTICULARS</b>	<b>Non Current</b>		<b>Current</b>	
	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Provision for Employee Benefits	<b>5097.69</b>	4561.44	<b>7402.29</b>	9321.54
Provision for Proposed Dividend	-	-	<b>9408.65</b>	-
Provision for Dividend Distribution Tax	-	-	<b>1915.38</b>	-
<b>TOTAL</b>	<b>5097.69</b>	4561.44	<b>18726.32</b>	9321.54



## NOTE " 8 " - SHORT-TERM BORROWINGS

(₹ in Lakhs)

PARTICULARS	NOTE	March 31, 2016	March 31, 2015
<b>(1) SECURED LOANS</b>			
Loans repayable on demand			
From Banks:			
a) In Foreign Currency			
Buyers' Credit		-	73130.85
(USD: Nil; 2015 : USD 117 Mn)			
b) In Indian Rupees			
Working Capital Demand Loan		-	75500.00
Cash Credit		103.68	451.04
<b>Sub-Total</b>	(i)	<b>103.68</b>	<b>149081.89</b>
<b>(2) UNSECURED LOANS</b>			
Loans repayable on demand			
From Banks/Financial Institutions:			
a) In Foreign Currency			
Foreign Currency Non repatriable / Packing credit foreign currency loan		63609.60	69380.55
(USD : 96 Mn; 2015 : USD 111 Mn)			
Buyers' Credit		23191.00	61254.90
(USD : 35 Mn; 2015 : USD 98 Mn)			
b) In Rupees			
Book Overdraft		143.97	188.60
Working Capital Demand Loan		99000.00	-
Commercial Paper		70000.00	60000.00
<b>Total Unsecured Loans</b>		<b>255944.57</b>	<b>190824.05</b>
<b>TOTAL SHORT-TERM BORROWINGS</b>		<b>256048.25</b>	<b>339905.94</b>

- (i) Secured against hypothecation of current assets to the extent of ₹ 418400 Lakhs with State Bank of India (2015: ₹ 418400 lakhs)

## NOTE " 9 " - TRADE PAYABLES

(₹ in Lakhs)

PARTICULARS	NOTE	March 31, 2016	March 31, 2015
<b>Trade Payables:</b>			
a) Total Outstanding dues to Micro, Small and Medium Enterprises	(i)	69.58	7.80
b) Total Outstanding dues to Related Parties	(ii)	175764.32	198087.31
c) Total dues to creditors other than Micro, Small and Medium Enterprises		72346.49	125351.46
<b>TOTAL</b>		<b>248180.39</b>	<b>323446.57</b>

- (i) With regard to Disclosure requirement 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 31.03.2016 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.

- (ii) Represents dues to Indian Oil Corporation Ltd., the holding company.

NOTE "10" - TANGIBLE ASSETS

(₹ in Lakhs)

GROSS BLOCK										DEPRECIATION / AMORTISATION				NET BLOCK	
Particulars	Note	Gross block as at 01-Apr-15	Additions	Disposals	Transfers/ Deductions/ Adjustments/ Reclassifications	Gross Block as at 31-Mar-16 (Ref. Note E)	Depreciation and Amortisation as at 01-Apr-15	Charged to Statement of Profit and Loss	Adjusted in General Reserve (Ref. Note C)	Depreciation on disposals/ transfers/ deductions etc upto 31-Mar-16	Total Depreciation and Amortisation upto 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15		
Land	- Freehold	3784.10	-	-	-	3784.10	-	-	-	-	-	3784.10	3784.10		
	- Leasehold	780.85	-	(78.85)	-	702.00	123.34	7.24	-	(13.54)	117.04	584.96	657.51		
	Buildings, Road etc.	27408.02	661.76	(192.50)	-	27877.28	14793.05	759.60	-	(179.12)	15373.53	12503.75	12614.97		
	Plant and Equipment	774551.62	28244.39	(2085.97)	-	800710.04	388448.98	24942.32	1584.63	(1998.75)	412977.18	387732.86	386102.64		
	Office Equipments	4245.86	321.45	(118.04)	-	4449.27	3414.47	340.88	-	(114.41)	3640.94	808.33	831.39		
Transport Equipments		2453.95	161.77	(4.58)	-	2611.14	1920.30	38.00	-	(4.35)	1953.95	657.19	533.65		
Furniture and Fixtures		1972.43	110.96	(92.14)	-	1991.25	1334.70	187.30	-	(76.82)	1445.18	546.07	637.73		
Railway Sidings	D	6.12	-	-	-	6.12	5.82	-	-	-	5.82	0.30	0.30		
Drainage, Sewage and Water Supply System		2401.40	-	-	-	2401.40	528.07	112.79	-	-	640.87	1760.53	1873.33		
Total		817604.35	29500.33	(2572.08)	-	844532.60	410568.73	26388.13	1584.63	(2386.99)	436154.51	408378.09	407035.62		
Previous Year		816566.91	4404.09	(3509.80)	143.15	817604.35	388159.07	22475.99	2838.26	(2904.59)	410568.73	407035.62	428407.84		

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 : Refer S.No. 2.1.3 and 2.5.4 of Note - 1, Significant Accounting Policies.

C : Pursuant to the requirements prescribed under Schedule II to the Companies Act 2013 the Company has, effective 1<sup>st</sup> April 2015, reviewed and identified the components (significant parts) of the main asset having different useful lives as compared to the main asset and depreciation has been charged accordingly. Due to this, the depreciation for the year 2015-16 is higher by ₹ 3984.29 lakhs. In addition, as per the transitional provisions, the Company has charged ₹ 1584.63 lakhs to the opening balance of General reserve as at 1<sup>st</sup> April, 2015.

D : 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

E : The cost of assets are net of VAT /GENVAT, wherever applicable.

**NOTE "11" : INTANGIBLE ASSETS**

( ₹ in Lakhs)

	AT COST					AMORTISATION				NET BLOCK	
	Gross Block as at 01-Apr-15	Additions	Disposals	Transfers/ Deductions/ Adjustments/ Reclassifications	Gross Block as at 31-Mar-16	Amortisation as at 01-Apr-15	Amortisation for the year	Amortisation on disposals/ transfers/ deductions etc	Total Amortisation upto 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15
Right of Way	30.68	-	-		30.68	3.80	0.31	-	4.11	26.57	26.88
Technical Know-How, Royalty and License Fees	3473.17	-	-	-	3473.17	2897.16	140.95	-	3038.11	435.06	576.01
Software	1358.53	9.10			1367.63	1317.00	36.48	-	1353.48	14.15	41.53
<b>Total</b>	<b>4862.38</b>	<b>9.10</b>	<b>-</b>	<b>-</b>	<b>4871.48</b>	<b>4217.96</b>	<b>177.74</b>	<b>-</b>	<b>4395.70</b>	<b>475.78</b>	<b>644.42</b>
Previous Year	4861.23	1.15	-	-	4862.38	4081.62	136.34	-	4217.96	644.42	779.61

**NOTE "12" CAPITAL WORK IN PROGRESS**

(₹ in Lakhs)

<b>PARTICULARS</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
(1) Construction Work in Progress - Tangible Assets (Including unallocated capital expenditure)	162912.00	
Less : Provision for Capital losses	<u>(1070.14)</u>	
	<b>161841.86</b>	74323.72
(2) Capital stores	<b>2408.13</b>	3322.17
(3) Construction Period Expenses pending allocation:		
Net expenditure during the year (Note -"12.1")	9241.45	3734.90
Less: Allocated to assets during the year	<u>(9241.45)</u>	<u>(3734.90)</u>
	-	-
<b>TOTAL</b>	<b>164249.99</b>	<b>77645.89</b>

**NOTE "12.1" CONSTRUCTION PERIOD EXPENSES (NET) DURING THE YEAR**

(₹ in Lakhs)

<b>PARTICULARS</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
(1) Payments to and Provision for Employees	<b>1085.23</b>	889.94
(2) Own Fuel	<b>76.32</b>	-
(3) Travelling, Conveyance & Others	<b>12.09</b>	22.24
(4) Interest	<b>8067.81</b>	2822.72
<b>Net Expenditure during the year</b>	<b>9241.45</b>	<b>3734.90</b>

**NOTE "13" INTANGIBLE ASSETS UNDER DEVELOPMENT**

(₹ in Lakhs)

<b>PARTICULARS</b>	<b>NOTE</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Technical Know - how license	(i)	<b>596.98</b>	596.98
<b>TOTAL</b>		<b>596.98</b>	<b>596.98</b>

(i) Refer Sl. No 2.4.1 of Note 1





## NOTE "14" NON CURRENT INVESTMENTS

(₹ in Lakhs)

PARTICULARS	NO. AND PARTICULARS OF SHARES/ UNITS	NOTE	FACE VALUE PER SHARE ₹	March 31, 2016	March 31, 2015
<b>(1) Trade Investments (Unquoted, at cost): Investment in Equity Instruments In Joint Venture Companies :</b>					
a) Indian Additives Ltd.	1183401 Equity Shares fully paid		100	<b>1183.40</b>	1183.40
b) National Aromatics and Petrochemical Corporation Limited	25000 Equity Shares fully paid		10	2.50	2.50
Less: Provision for Diminution				<u>2.50</u>	<u>2.50</u>
				-	-
<b>Investment in Others :</b>					
Petroleum India International (AOP of Oil Companies)	Capital Fund Share in accumulated surplus	(i)	5.00		500.00
				<u>223.65</u>	<u>848.10</u>
				<b>228.65</b>	1348.10
<b>(2) Other Investments (Unquoted, at cost) :</b>					
<b>Investment in Equity Instruments</b>					
BioTech Consortium India Ltd	100000 Equity Shares fully paid		10	<b>10.00</b>	10.00
<b>Investment in Others :</b>					
MRL Industrial Cooperative Service Society Ltd	9000 Shares fully paid		10	<b>0.90</b>	0.90
<b>TOTAL</b>				<b>1422.95</b>	2542.40
Aggregate value of Unquoted Non Current Investments				<b>1425.45</b>	2544.90
Aggregate value of provisions on Unquoted Non Current Investments				<b>2.50</b>	2.50

- (i) During the year, Petroleum India International has reduced the capital from ₹ 500 lakhs to ₹ 5 lakhs and has partially distributed its surplus. Accordingly, ₹ 1198 lakhs has been received during the year from Petroleum India International.

<b>NOTE " 15 " - LOANS AND ADVANCES</b>		<b>( ₹ in Lakhs)</b>			
<b>PARTICULARS</b>	<b>NOTE</b>	<b>LONG TERM</b>		<b>SHORT TERM</b>	
		<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
(1) <b>Capital Advances</b>					
Unsecured, Considered Good	(i)	7382.57	5726.17	-	-
(2) <b>Advance recoverable in cash or in kind for value to be received:</b>					
<b>a) From Related Parties</b>					
i) Secured, Considered Good	(ii) (a)	3.97	4.33	0.40	0.40
ii) Unsecured, Considered Good	(ii) & (iii)	4.18	4.87	1.77	1.27
<b>b) From Others</b>					
i) Secured, Considered Good		3243.74	3867.32	770.42	478.78
ii) Unsecured, Considered Good		1983.15	1578.26	4841.93	3314.23
		<b>5235.04</b>	<b>5454.78</b>	<b>5614.52</b>	<b>3794.68</b>
(3) <b>Claims Recoverable :</b>					
<b>a) From Related Parties</b>					
i) Unsecured, Considered Good	(iv)	-	-	4.10	-
ii) Unsecured, Considered Doubtful	(v)	-	-	1440.36	1440.36
				1444.46	1440.36
Less : Provision for Doubtful Claims		-	-	1440.36	1440.36
				<b>4.10</b>	-
<b>b) From Others</b>					
i) Unsecured, Considered Good		-	-	13118.19	9616.78
ii) Unsecured, Considered Doubtful		-	-	218.19	478.05
				13336.38	10094.83
Less : Provision for Doubtful Claims		-	-	218.19	478.05
		-	-	<b>13118.19</b>	<b>9616.78</b>
(4) <b>Balance with Customs, Port Trust and Excise Authorities:</b>					
Unsecured, Considered Good		-	-	<b>4930.68</b>	2598.36
(5) <b>Deposits for Leave Encashment Fund</b>	(vi)	-	-	<b>4683.30</b>	7663.75
(6) <b>Advance Income Tax</b>		2573.10	360.04	-	-
Less: Provision for Income Tax		(1755.40)	-	-	-
		<b>817.70</b>	<b>360.04</b>	-	-
(7) <b>Materials given on Returnable basis to Related party - Unsecured, Considered Good</b>	(iv)	-	-	<b>52.28</b>	60.23
(8) <b>Sundry Deposits</b>					
Unsecured, Considered Good		<b>1359.56</b>	1185.03	<b>11086.16</b>	3112.32
<b>TOTAL</b>	(vii)	<b>14794.87</b>	<b>12726.02</b>	<b>39489.23</b>	<b>26846.12</b>

# NOTE " 15 " - LOANS AND ADVANCES

( ₹ in Lakhs)

PARTICULARS	LONG TERM			SHORT TERM	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	
(i) Includes dues from Indian Oil Corporation Ltd, the holding company ₹ 96.48 Lakhs, (2014-15 : Nil)					
(ii) Includes:					
Due from Directors	2.96	3.40	0.62	0.62	
Maximum amount due during the year ₹ 4.02 Lakhs, (2014-15: ₹ 4.72 Lakhs)					
(ii)(a) Due from Officers	3.97	4.33	0.40	0.40	
(iii) Due from Officers	1.22	1.47	1.15	0.65	
Maximum amount due during the year ₹ 7.06 Lakhs, (2014-15 : ₹ 7.80 Lakhs)					
(iv) Represents dues from Indian Oil Corporation Ltd, the holding company					
(v) Represents dues from National Aromatics and Petrochemicals Corporation Limited, Joint Venture Company					
(vi) Deposits for Leave Encashment Fund balance is net of withdrawals for disbursements ₹ 3471.49 Lakhs					
(2014-15 : ₹ 348.78 Lakhs) and contribution/accruals ₹ 491.04 Lakhs ( 2014-15 : ₹ 1529.47 Lakhs) during the year					
(vii) <b>Disclosure requirements under Regulation 34(3) of Securities &amp; Exchange Board of India</b>					
<b>(Listing Obligations and Disclosure Requirements) Regulations 2015</b>					
1 Loans and advances in the nature of loans to parent company,					
Indian Oil Corporation Limited	Nil	Nil	Nil	Nil	
Maximum amount outstanding during the year	Nil	Nil	Nil	Nil	
2 Loans and advances in the nature of loans to associates	Nil	Nil	Nil	Nil	
Maximum amount outstanding during the year	Nil	Nil	Nil	Nil	
3 Loans and advances in the nature of loans to firms/companies in which directors are interested	Nil	Nil	Nil	Nil	



**NOTE "16" OTHER CURRENT ASSETS**

(₹ in Lakhs)

PARTICULARS	March 31, 2016	March 31, 2015
(1) Interest Accrued on Investments/ Bank Deposits	48.95	47.47
(2) Gold Coins on Hand (at Cost)	63.88	66.92
Less: Provision for Diminution	(14.36)	-
	49.52	66.92
(3) Premium on Forward Contract		
As per Last account	-	-
Add:-Expenditure during the year	1257.28	151.65
	1257.28	151.65
Less:Amortised during the year	968.26	151.65
	289.02	-
<b>TOTAL</b>	<b>387.49</b>	<b>114.39</b>

**NOTE "17" INVENTORIES**

(₹ in Lakhs)

PARTICULARS	NOTE	March 31, 2016	March 31, 2015
(1) Raw Materials			
On Hand		68412.53	94471.02
In Transit		86122.76	99401.96
		154535.29	193872.98
(2) Stores, Spares etc.			
On Hand		26518.12	25747.70
Less : Provision for Losses		3216.86	2828.46
		23301.26	22919.24
In Transit		536.06	660.05
		23837.32	23579.29
(3) Finished Products			
On Hand		114527.05	117131.43
(4) Stock in Process			
On Hand		27673.08	45925.32
<b>TOTAL</b>	(i)	<b>320572.74</b>	<b>380509.02</b>

(i) Refer Sl. No 7 of Significant Accounting Policies for mode of valuation

**NOTE "18" TRADE RECEIVABLES**

(₹ in Lakhs)

PARTICULARS	NOTE	March 31, 2016	March 31, 2015
(1) Over Six Months:			
From Related Parties			
Unsecured, Considered Good	(i)	0.81	-
From Others			
i) Unsecured, Considered Good		64.87	306.83
ii) Unsecured, Considered Doubtful		-	116.60
		65.68	423.43
Less : Provision for Doubtful Debts		-	116.60
		65.68	306.83
(2) Other Debts :			
From Related Parties			
Unsecured, Considered Good	(i)	61819.37	162287.09
From Others			
a) Secured Considered Good	(ii)	9132.71	9037.60
b) Unsecured, Considered Good		5121.85	11179.21
		76073.93	182503.90
<b>TOTAL</b>		<b>76139.61</b>	<b>182810.73</b>

(i) Includes receivables from Indian Oil Corporation Ltd, the holding company - ₹ 61334.93 Lakhs. (2015: ₹ 161885.99 Lakhs) and receivables from Indian Additives Limited, Joint Venture Company - ₹ 485.25 Lakhs. (2015: ₹ 401.10 Lakhs)

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



## NOTE "19" - CASH AND BANK BALANCES

(₹ in Lakhs)

PARTICULARS	NOTE	March 31, 2016	March 31, 2015
(1) <b>Cash and Cash Equivalents</b>			
a) Bank Balances with Scheduled Banks :			
Current Account		9.18	29.31
b) Cash balances, including imprest		-	0.08
(2) <b>Other Bank Balances</b>			
Balances with bank held as other commitments		488.12	459.55
Earmarked Balances (Unpaid Dividend)	6 (3) (i)	3388.87	3501.59
<b>TOTAL</b>		<b>3876.99</b>	<b>3961.14</b>
		<b>3886.17</b>	<b>3990.53</b>

## NOTE "20" - REVENUE FROM OPERATIONS

(₹ in Lakhs)

PARTICULARS	NOTE	March 31, 2016	March 31, 2015
(1) Sale of Products	(i)	3498932.52	4791523.22
Less: Trade Discounts		3591.14	3740.95
Sales (Net of Discounts)		<b>3495341.38</b>	4787782.27
(2) Other Operating Revenues (Note "20.1")		<b>1416.54</b>	1848.13
<b>TOTAL</b>		<b>3496757.92</b>	<b>4789630.40</b>

(i) 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 ₹ 17322.40 Lakhs (2015: ₹ 412063.58 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. Accordingly, Gross Sale of Products and Consumption of Raw Materials for the year are net of ₹ 17322.40 Lakhs. (2015: ₹ 412063.58 Lakhs).

Refer Note 30 - Finished Products - Quantity and Value Particulars, for product wise sales

## NOTE "20.1" - OTHER OPERATING REVENUES

(₹ in Lakhs)

PARTICULARS	March 31, 2016	March 31, 2015
(1) Sale of Power	138.21	92.84
(2) Unclaimed liabilities / provisions written back	382.68	702.72
(3) Recoveries from Employees	110.99	90.72
(4) Sale of Scrap	784.66	961.85
<b>TOTAL</b>	<b>1416.54</b>	<b>1848.13</b>

**NOTE "21" - OTHER INCOME**

(₹ in Lakhs)

PARTICULARS	NOTE	March 31, 2016	March 31, 2015
(1) Interest on :			
a) Loans and Advances		272.26	213.38
b) Short Term Deposits with Banks		12.31	105.68
c) Customer Outstandings		540.69	698.34
d) Others	(i)	540.17	1574.25
		<b>1365.43</b>	2591.65
(2) Dividend from Joint Venture	(ii)	<b>591.70</b>	591.70
(3) Profit on sale and disposal of Assets		<b>721.51</b>	6.43
(4) Other Non Operating Income	(iii) & (iv)	<b>981.90</b>	480.53
<b>TOTAL</b>		<b>3660.54</b>	3670.31

(i) Includes interest on Income Tax refunds - Nil (2015: ₹ 805.83 Lakhs)

(ii) Represents income from Non Current Trade Investment - Indian Additives Limited - Joint Venture Company.

(iii) Includes income from Petroleum India International (Non Current Trade Investments) ₹ 78.55 Lakhs (2015: ₹ 60.36 Lakhs)

(iv) During December 2015, due to severe floods in Chennai, there was damage to the Company's Plant & Machinery and Stores & spares. The Company had filed an insurance claim for an estimated amount of ₹ 1378.95 Lakhs (replacement cost) after considering deductibles. Pending settlement of the claim, the Company has received an "On Account payment" of ₹ 300 Lakhs from the insurance company which has been disclosed under "Other income".

**NOTE "22" - COST OF MATERIALS CONSUMED**

(₹ in Lakhs)

PARTICULARS	NOTE	March 31, 2016	March 31, 2015
Raw Materials Consumed :			
Opening Balance		193872.98	351482.66
Add : Purchases	(i)	2236066.37	3767606.97
		<b>2429939.35</b>	4119089.63
Less: Closing Stock		<b>154535.29</b>	193872.98
<b>TOTAL</b>	(ii)	<b>2275404.06</b>	3925216.65

(i) Refer Note 20 (i) - Revenue from Operations.

(ii) Refer Note 31 - Consumption particulars of Raw Materials.

**NOTE "23" - CHANGES IN INVENTORY**

(₹ in Lakhs)

PARTICULARS	NOTE	March 31, 2016	March 31, 2015
<b>Closing Stock</b>			
a) Finished Products	(i)	114527.05	117131.43
b) Stock in Process		27673.08	45925.32
		<b>142200.13</b>	163056.75
Less:			
<b>Opening Stock</b>			
a) Finished Products	(i)	117131.43	215259.02
b) Stock in Process		45925.32	79878.26
		<b>163056.75</b>	295137.28
<b>NET INCREASE/(DECREASE)</b>		<b>(20856.62)</b>	(132080.53)

(i) Refer Note 30 - Finished Products - Quantity and Value Particulars, for details.



## NOTE " 24 " - EMPLOYEE BENEFIT EXPENSES

( ₹ in Lakhs)

PARTICULARS	NOTE	March 31, 2016	March 31, 2015
(1) <b>Employee Benefit Expenses:</b>	(i)		
a) Salaries, Wages, Bonus etc		27879.19	25206.28
b) Contribution to Provident & Other Funds		4833.54	3155.59
c) Staff Welfare Expenses		2677.85	5508.68
<b>TOTAL</b>	(ii)	<b>35390.58</b>	<b>33870.55</b>

(i) Disclosure in compliance with Accounting Standard-15 (Revised) on "Employee Benefits" is given in Note 28. (Annexure I)

(ii) Includes Remuneration paid/payable to Key Management Personnel (KMP) as given below:

( ₹ in Lakhs)

PARTICULARS	March 31, 2016	March 31, 2015
a) Salaries and Allowances	110.49	88.33
b) Contribution to Provident Fund/Superannuation Fund, etc	21.65	15.02
c) Other benefits and perquisites	1.87	2.51
<b>TOTAL</b>	<b>134.01</b>	<b>105.86</b>

## NOTE "25" - FINANCE COST

( ₹ in Lakhs)

PARTICULARS	March 31, 2016	March 31, 2015
(1) Interest Expense on:		
a) Fixed period loans from Banks/Financial Institutions/ Others	-	791.68
b) Debentures	9440.27	15987.71
c) Short Term loans from Banks/Financial Institutions/ Others	15029.30	17655.90
d) Others	212.79	79.05
	<b>24682.36</b>	<b>34514.34</b>
(2) Other Borrowing Cost	<b>109.43</b>	<b>38.17</b>
(3) Applicable net (gain)/loss on foreign currency transactions and translation	<b>6143.05</b>	<b>5820.56</b>
<b>TOTAL</b>	<b>30934.84</b>	<b>40373.07</b>

**NOTE " 26 " - OTHER EXPENSES**

(₹ in Lakhs)

PARTICULARS	NOTE	March 31, 2016	March 31, 2015
(1) Consumption:			
a) Stores, Spares and Consumables		6083.56	7817.05
b) Packages & Drum Sheets		106.64	153.86
		<b>6190.20</b>	7970.91
(2) Power, Water & Fuel		194281.59	340245.73
Less : Fuel from own production		189543.16	334709.60
Purchased Power & Water		<b>4738.43</b>	5536.13
(3) Irrecoverable taxes - Central Sales Tax		<b>12984.70</b>	22907.38
(4) Repairs and Maintenance			
i) Plant & Machinery		18279.23	10332.86
ii) Buildings		287.95	264.89
iii) Others		3364.09	3604.60
		<b>21931.27</b>	14202.35
(5) Freight, Transportation Charges and Demurrage		<b>10736.30</b>	3647.01
(6) Office Administration, Selling and Other Expenses (Note "26.1")		<b>34267.65</b>	29499.74
<b>TOTAL</b>		<b>90848.55</b>	83763.52
Less: Company's use of own Products for Projects		<b>76.32</b>	-
		<b>90772.23</b>	83763.52
(7) Excise Duty		912481.31	601011.23
Less: Excise Duty on Transfer of Products		897341.68	603033.84
Excise Duty (Net)	(i)	<b>15139.63</b>	(2022.61)
<b>TOTAL (Net)</b>		<b>105911.86</b>	81740.91

- (i) Includes an amount of ₹ 14628.37 lakhs (2015 : ₹ 340.06 lakhs) on account of difference of excise duty between Opening and Closing stock of finished goods.





## NOTE "26.1" - OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES

(₹ in Lakhs)

PARTICULARS	NOTE	March 31, 2016	March 31, 2015
(1) Rent		2215.41	1924.48
(2) Insurance		2203.90	2532.65
(3) Rates & Taxes		129.60	185.89
(4) Payment to auditors			
a) Audit Fees		13.00	10.00
b) Limited Review Fees		4.50	4.50
c) Tax Audit Fees		3.50	4.75
d) Other Services		1.40	1.40
		22.40	20.65
(5) Travelling & Conveyance		2529.52	1869.80
(6) Communication Expenses		207.03	170.80
(7) Printing & Stationery		90.06	89.67
(8) Electricity & Water		102.42	62.26
(9) Bank Charges		115.93	104.29
(10) Bad Debts, Advances/Claims & Inventory written off		178.99	-
(11) Loss on Assets Sold /Discarded		72.10	200.61
(12) Technical Assistance Fees		441.22	545.63
(13) Exchange Fluctuation (net)		16762.00	14508.02
(14) Provision for			
a) Doubtful Debts, Advances, Claims		-	116.60
b) Capital Work in Progress		1070.14	-
c) Stores, Spares and Consumables,Others etc.,		391.71	565.93
		1461.85	682.53
(15) Security Force Expenses		2194.69	1927.82
(16) Terminalling & Handling Charges		2464.46	3020.98
(17) Amortisation of Premium on Forward Contracts		968.26	151.65
(18) Miscellaneous Expenses (i)		2107.81	1502.01
<b>TOTAL</b>		<b>34267.65</b>	<b>29499.74</b>

(i) Refer Sl No.12 in Note 28 (Annexure -II)

Miscellaneous Expenses include:

- a) Expenditure on Public Relations and Publicity amounting to ₹ 243.99 lakhs (2015: ₹ 143.66 lakhs). The ratio of annual expenditure on Public Relations and Publicity to the annual turnover is 0.00007:1 (2015: 0.00003:1)
- b) Entertainment Expenses ₹ 21.22 lakhs (2015: ₹ 17.68 lakhs).

## NOTE " 27 " – INCOME / EXPENSES RELATING TO PREVIOUS YEARS

(₹ in Lakhs)

PARTICULARS	March 31, 2016	March 31, 2015
Income:	-	-
<b>Total Income</b>	-	-
Expenditure:		
(1) Loss on Assets Discarded	-	392.14
(2) Technical fees	-	54.00
<b>Total Expenses</b>	-	446.14
<b>NET INCOME /(EXPENDITURE)</b>	-	(446.14)

## **NOTE 28**

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### **1. Contingent Liabilities:**

a) Claims against the company not acknowledged as debts ₹ 63029.67 lakhs (2015: ₹ 38669.59 lakhs). These mainly include:

- i) ₹ 498.55 lakhs (2015: ₹ 619.54 lakhs) in respect of Central Excise.
- ii) ₹ 48632.59 lakhs (2015: ₹ 27028.27 lakhs) in respect of Sales Tax.
- iii) ₹ 9414.81 lakhs (2015: ₹ 7075.98 lakhs) in respect of Income Tax.
- iv) ₹ 2219.59 lakhs (2015: ₹ 1713.94 lakhs) relating to projects.

b) Interest/Penalty, if any, unascertainable, on the above claims is not considered.

c) Estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹ 154579.73 lakhs (2015: ₹ 249455.02 lakhs).

2. Thirty four acres and forty nine cents of land has been taken on lease from a trust on a five-year renewable lease for the construction of Employees Township at Cauvery Basin Refinery.

3. Sixteen acres and twenty six cents and twenty acres of land of the company are in the possession of IOT Infrastructure & Energy Services Limited and CPCL Educational Trust respectively under lease agreement for a period of 12 years and 50 years respectively.

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

(b) The company has valid title for all immovable properties. However, in respect of 186.86 acres of Land allotted by Government of Tamil Nadu (classified as Poramboke) Assignment deed is yet to be received. Out of this, value is to be determined by Government of Tamilnadu in respect of 135.93 acres.

(c) Pending decision of the Government/Court, additional compensation, if any, payable to the landowners and the Government for certain lands acquired, is not quantifiable, and hence not considered.

### **5. 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 7.3 in Note – 1 – “Statement of Significant Accounting Policies”).

6. In view of Componentisation of fixed assets, expenses on replacement of significant catalyst hitherto charged to statement of Profit and Loss, have been identified and capitalised as component. This has resulted in decrease in expenditure and increase in profit before tax during the year by ₹ 2165.90 lakhs. Accordingly, net tangible assets is higher by the like amount.

7. The Company has export obligation of ₹ 31854 lakhs (2015: Nil) on account of concessional rate of customs duty availed under EPCG scheme on import of capital goods/Advance License scheme on import of crude oil.

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

9. Foreign currency exposures (liability) as on 31.03.2016 is ₹ 273528.16 Lakhs (2015: ₹ 392932.66 Lakhs). The company has entered into 135 (2015: 4) forward contract transactions during the year for hedging purposes out of which 4 Forward contracts of ₹ 44328.29 Lakhs (2015: Nil) remained outstanding as on 31<sup>st</sup> March 2016.

10. Disclosure as required under Accounting Standard – 15 (Revised) on “Employee Benefits” is provided in Annexure – I to this Note.

11. In compliance with Accounting Standard – 18 on “Related Party Disclosures”, the required information is given in Annexure – II to this Note.



12. Disclosure as required under Accounting Standard – 19 on “Leases” is as under:

**Operating Leases:**

Lease rentals charged in the Statement of Profit and Loss is as follows :

(₹ in Lakhs)

PARTICULARS	2015 - 16	2014 - 15
Lease rentals recognised during the year	329.57	439.82
Lease obligation - not later than one year	374.81	519.18
Lease obligation - later than one year and not later than five years	1499.24	2076.72

These lease rentals relate to operating leases in respect of Product Tankages taken on lease from IOC on a renewal basis.

13. In compliance with Accounting Standard – 20 on “Earnings Per Share”, the elements considered for calculation of Earnings Per Share (Basic and Diluted) are as under:

PARTICULARS	2015 - 16	2014 - 15
Profit / (Loss) After Tax (₹ in Lakhs)	77068.34	(3898.85)
Less : Preference Share Dividend and Dividend distribution tax (₹ in Lakhs)	(4154.97)	-
Profit / (Loss) After Tax available for Equity shareholders (₹ in Lakhs) (A)	72913.37	-
Weighted Average number of equity shares (B)	148911400	148911400
Earnings Per Share (Basic and Diluted) (₹) (A) / (B)	48.96	(2.62)
Face value per share (₹)	10	10

14. Current tax for the financial year 2015-16 has been provided based on legal opinion.

15. Disclosure as required under Accounting Standard – 27 on “Financial Reporting of Interests in Joint Ventures” is as under:

- a) Name of the Joint Venture Indian Additives Ltd  
Proportion of ownership interest 50%  
Country of Incorporation India  
Aggregate amount of interest in Joint Venture

(₹ in Lakhs)

Company's share of	2015 - 16 #	2014 - 15 #
Assets	16459.31	13272.46
- Long Term Assets	3288.62	2963.85
- Current Assets	13170.69	10308.61
Liabilities	5233.45	3889.38
- Current Liabilities and Provisions	3837.28	2852.46
- Other Liabilities	1396.17	1036.93
Income	29254.15	26311.38
Expenditure	24914.13	24216.06
Contingent Liabilities	445.88	539.52
Capital Commitments	49.68	74.59

# Audited

- b) Name of the Joint Venture National Aromatics and Petrochemicals Corporation Ltd  
Proportion of ownership interest 50%  
Country of Incorporation India  
Aggregate amount of interest in Joint Venture is not given since the joint venture is not operational.

16. During the year, the company has undertaken a review of all fixed assets in line with the requirements of AS- 28 on “Impairment of Assets”. Based on such review, no provision for impairment is required to be recognised for the year.

17. In Compliance of Accounting Standard – 29 on “Provisions, Contingent Liabilities & Contingent Assets”, the required information on each class of contingent liability is as under :

(₹ in Lakhs)

PARTICULARS	OPENING BALANCE	ADDITIONS DURING THE YEAR	REVERSAL DURING THE YEAR	CLOSING BALANCE
Sales Tax	27028.27	21701.59	97.27	48632.59
Central Excise	619.54	25.62	146.61	498.55
Income Tax	7075.98	2354.12	15.29	9414.81
Others	3945.80	537.92	-	4483.72
<b>Total</b>	<b>38669.59</b>	<b>24619.25</b>	<b>259.17</b>	<b>63029.67</b>

18. Previous year's comparative figures have been regrouped and recast, wherever necessary, to the extent practicable, for uniformity in presentation.

**19 : RESEARCH AND DEVELOPMENT EXPENDITURE**

Research and Development Expenses of ₹ 28.69 Lakhs (2015: ₹ 23.73 Lakhs) have been capitalized and ₹ 668.64 Lakhs (2015 : ₹ 625.03 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 (TANGIBLE ASSETS)**

( ₹ in Lakhs)

	Asset Block	Gross Block as on 01.04.2015	Additions during the year	Transfer/ Deduction/ Disposal during the year	Gross on Block as at 31.03.2016	Work-in-Progress as on 01.04.2015	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as on 31.03.2016	Total Capital Expenditure
1	2	3	4	5	6 = (3+4-5)	7	8	9	10 = (7+8-9)	11 = (4+10-7)
	<b>TANGIBLE ASSETS</b>									
1	Plant & Equipment	2371.09	25.95		2397.04	-	-	-	-	25.95
2	Office Equipment	39.59	2.74		42.33	-			-	2.74
3	Furniture & Fixtures	3.18	-		3.18	-			-	-
	<b>TOTAL :</b>	<b>2413.86</b>	<b>28.69</b>	-	<b>2442.55</b>	-	-	-	-	<b>28.69</b>
	Previous year :	2390.13	23.73	-	2413.86	-	-	-	-	23.73

**B. RECURRING EXPENSES**

		2015-16	2014-15
1	Consumption of Stores, Spares & Consumables	54.35	53.87
2	Repairs & Maintenance	13.35	18.79
3	Employee benefit expense	329.50	253.73
4	Depreciation and other expenses	271.44	298.64
	<b>TOTAL :</b>	<b>668.64</b>	<b>625.03</b>

**C. TOTAL RESEARCH EXPENSES**

		2015-16	2014-15
1	Capital Expenditure	28.69	23.73
2	Recurring Expenditure	668.64	625.03
	<b>TOTAL</b>	<b>697.33</b>	<b>648.76</b>



## Annexure – I

### Disclosure requirements under AS – 15 (Revised) as per Serial No: 10

#### Defined Contribution Schemes:

##### (a) Provident Fund

- (i) During the year, the company has recognised ₹ 1635.70 Lakhs (2015: ₹ 1574.59 Lakhs) as Employer's contribution to Provident Fund in the Statement of Profit and Loss (included in 'Contribution to Provident & Other Funds' in Note 24)
- (ii) In addition, during the year, the company has recognised ₹ 227.88 Lakhs (2015 : ₹ 181.21 Lakhs) as contribution to EPS-95 in the Statement of Profit and Loss (included in 'Contribution to Provident & Other Funds' in Note 24)

##### (b) Pension Scheme

During the year, the company has recognised ₹ 2108.82 Lakhs (2015: ₹ 509.18 Lakhs) towards Defined Contributory Employees' Pension Scheme in the Statement of Profit and Loss (included in 'Contribution to Provident & Other Funds' in Note 24)

#### Defined Benefits Plans: General Description

##### Gratuity:

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the monthly emoluments for every completed year of service subject to a maximum of ₹ 10 Lakhs at the time of separation from the company.

##### 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 upto 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.

##### PRMS

Post Retirement Medical Scheme (PRMS) provides medical benefit to retired employees and eligible dependant family members.

##### Long Service Award:

The long service award scheme, under which the employees were rewarded with gold coins based on duration of completed service, has been discontinued based on the advice of MoP&NG. Pending the finalization of alternate scheme, the company has continued actuarial liability as on 31.03.2015. No additional liability has been provided.

#### Defined Benefit Schemes:

(₹ in Lakhs)

NET EMPLOYEE BENEFIT EXPENSE	UNFUNDED SCHEMES				FUNDED SCHEME	
	POST RETIREMENT MEDICAL BENEFITS		LEAVE ENCASHMENT		GRATUITY	
	2016	2015	2016	2015	2016	2015
Current Service Cost	83.94	58.24	400.58	314.51	52.40	56.39
Interest cost on benefit obligation	329.15	268.02	541.16	594.92	579.45	573.40
Expected (return) / loss on plan assets	-	-	-	-	(514.26)	(532.21)
Net actuarial (gain)/loss recognized in the year	523.96	684.00	664.96	2090.36	(366.48)	793.03
Net (Benefit) / Expense	937.05	1010.26	1606.70	2999.79	(248.89)	890.61

(₹ in Lakhs)

CHANGES IN PRESENT VALUE OF DEFINED BENEFIT OBLIGATION	UNFUNDED SCHEMES				FUNDED SCHEME	
	POST RETIREMENT MEDICAL BENEFITS		LEAVE ENCASHMENT		GRATUITY	
	2016	2015	2016	2015	2016	2015
Opening defined benefit obligation	<b>4339.70</b>	3542.80	<b>8805.72</b>	7269.15	<b>7334.89</b>	6301.10
Interest Cost	<b>329.15</b>	268.02	<b>541.16</b>	594.92	<b>579.46</b>	573.40
Current service cost	<b>83.94</b>	58.24	<b>400.58</b>	314.51	<b>52.40</b>	56.39
Benefits paid	<b>(239.76)</b>	(213.36)	<b>(3735.54)</b>	(1463.22)	<b>(355.01)</b>	(413.00)
Net actuarial (gain) / loss on obligation	<b>523.96</b>	684.00	<b>664.96</b>	2090.36	<b>(96.63)</b>	817.00
Closing defined benefit obligation	<b>5036.99</b>	4339.70	<b>6676.90</b>	8805.72	<b>7515.11</b>	7334.89

1% increase in cost of post retirement medical benefits will increase the liability by ₹ 233.16 Lakhs (2015: ₹ 318.44 Lakhs). 1% decrease in cost will decrease the liability by ₹ 191.81 Lakhs (2015: ₹ 265.27 Lakhs)

**FUNDED SCHEME:**

(₹ In lakhs)

CHANGE IN FAIR VALUE OF PLAN ASSETS	GRATUITY	
	2016	2015
Opening Fair value of plan assets	<b>6509.67</b>	6261.31
Expected return	<b>514.26</b>	532.21
Contributions	<b>836.55</b>	100.00
Contributions towards Direct Benefit Payments	<b>2.18</b>	5.18
Benefits paid	<b>(352.83)</b>	(407.82)
Direct Benefit Payments	<b>(2.18)</b>	(5.18)
Actuarial gain /(loss)	<b>269.86</b>	23.97
Closing Fair value of plan assets	<b>7777.52</b>	6509.67
Investment details	Insurer Managed funds -100%	

**FUNDED SCHEME:**

(₹ In lakhs)

BALANCE SHEET	GRATUITY	
	2016	2015
Defined benefit obligation	<b>7515.11</b>	7334.89
Fair value of plan assets	<b>7777.52</b>	6509.67
Plan asset / (liability)	<b>262.41</b>	(825.22)

**FUNDED SCHEME:**

ACTUARIAL ASSUMPTIONS	GRATUITY	
	2016	2015
Discount Rate (per annum)	<b>7.9%</b>	7.8%
Rate of escalation in salary (per annum)	<b>8%</b>	8%
Mortality table	<b>Indian Assured Lives 2006-08</b>	
Attrition rate	<b>2%</b>	2%
Expected rate of return on plan assets (per annum)	<b>7.9%</b>	7.8%

**UNFUNDED SCHEMES:**

ACTUARIAL ASSUMPTIONS	POST RETIREMENT MEDICAL BENEFITS		LEAVE ENCASHMENT	
	2016	2015	2016	2015
Mortality table (before Retirement)	<b>Indian Assured Lives 2006-08</b>			
Discount Rate (per annum)	<b>7.9%</b>	7.8%	<b>7.9%</b>	7.8%
Inflation Rate / Salary Escalation (per annum)	<b>7%</b>	7%	<b>8%</b>	8%



## ANNEXURE - II

### DISCLOSURE REQUIREMENTS UNDER AS - 18 AS PER SERIAL NO: 11

(₹ in Lakhs)

Sl No.	DETAILS OF TRANSACTIONS	KEY MANAGEMENT PERSONNEL		JOINT VENTURES		ENTITY OVER WHICH KMP EXERCISE SIGNIFICANT INFLUENCE		TOTAL	
		2016	2015	2016	2015	2016	2015	2016	2015
1.	Remuneration / Other Benefits & entitlements	134.01	105.86	-	-	-	-	134.01	105.86
2.	Dividend Received	-	-	591.70	591.70	-	-	591.70	591.70
3.	Outstanding Loans/ advances receivables	10.32	10.87	-	-	29.79	27.29	40.11	38.16
4.	Claims Recoverable	-	-	1440.36	1440.36	-	-	1440.36	1440.36
5.	Provisions for Doubtful Claims	-	-	1440.36	1440.36	-	-	1440.36	1440.36
6.	Assets on Hire	25.72	16.67	-	-	-	-	25.72	16.67
7.	Trade payable	-	-	-	-	21.25	24.50	21.25	24.50
8.	Trade receivable	-	-	485.56	401.10	-	-	485.56	401.10
9.	Sale of Products (Gross)	-	-	4506.45	6203.83	-	-	4506.45	6203.83
10.	Other Miscellaneous Income (pipeline charges)	-	-	46.51	40.30	-	-	46.51	40.30
11.	Interest income	-	-	-	-	2.50	2.29	2.50	2.29
12.	Other expenses	-	-	-	-	47.07	95.37	47.07	95.37

- a) The remuneration/other benefits & entitlements to KMP stated above does not include the impact of provision made on actuarial valuation of retirement/post retirement benefit schemes as the same are not ascertainable separately.
- b) Sl No 2, 8, 9 & 10 represents transactions with Joint Venture Company – Indian Additives Limited.

#### Key Management Personnel (KMP)

##### Whole-time Directors

- 1) Mr Gautam Roy
- 2) Mr S. Venkataramana
- 3) Mr S. Krishna Prasad
- 4) Mr. U. Venkata Ramana

##### Company Secretary

Mr. P. Shankar

##### Joint Venture Companies

- 1) Indian Additives Limited
- 2) National Aromatics and Petrochemicals Corporation Limited.

##### Entity over which KMP exercise significant influence

- 1) CPCL Educational Trust

**NOTE "29" - LICENSED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION**

(Figures in Lakhs)

	PARTICULARS	UNIT	Licensed Capacity		Installed Capacity		Actual Production		
			31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	Note	31 March 2015
1.	Crude Processing	MTs	<b>115.00</b>	115.00	<b>115.00</b>	115.00	<b>96.44</b>		107.82
2.	Propylene Recovery Unit	MTs	<b>0.30</b>	0.30	<b>0.30</b>	0.30	<b>0.29</b>	<b>A</b>	0.37
3.	Wax Plant	MTs	<b>0.30</b>	0.30	<b>0.30</b>	0.30	<b>0.21</b>	<b>A</b>	0.25

A. Represents finished petroleum products

**NOTE "30 A" - FINISHED PRODUCTS - QUANTITY AND VALUE PARTICULARS - MANUFACTURED GOODS**

	PARTICULARS	Opening Stock		Sales		Closing Stock	
		Quantity MT (in lakhs)	Value (₹in lakhs)	Quantity MT (in lakhs)	Value (₹in lakhs)	Quantity MT (in lakhs)	Value (₹in lakhs)
1.	PETROLEUM PRODUCTS:						
	<b>Year ended 31.03.16</b>	<b>3.19</b>	<b>115362.45</b>	<b>87.54</b>	<b>3451184.05</b>	<b>3.65</b>	<b>112788.02</b>
	Year ended 31.03.15	3.59	212993.78	98.95	4740231.53	3.19	115362.45
2.	WAX						
	<b>Year ended 31.03.16</b>	<b>0.03</b>	<b>1768.99</b>	<b>0.31</b>	<b>18480.65</b>	<b>0.03</b>	<b>1739.03</b>
	Year ended 31.03.15	0.02	2265.24	0.25	23126.25	0.03	1768.99
3.	TOTAL						
	<b>Year ended 31.03.16</b>	<b>3.22</b>	<b>117131.43</b>	<b>87.85</b>	<b>3469664.70</b>	<b>3.68</b>	<b>114527.05</b>
	Year ended 31.03.15	3.61	215259.02	99.20	4763357.78	3.22	117131.43

**NOTE "30 B" - FINISHED PRODUCTS - QUANTITY AND VALUE PARTICULARS - TRADED GOODS**

PARTICULARS	Opening Stock		Purchases		Sales		Closing Stock	
	Quantity MT (in lakhs)	Value (₹in lakhs)	Quantity MT (in lakhs)	Value (₹in lakhs)	Quantity MT (in lakhs)	Value (₹in lakhs)	Quantity MT (in lakhs)	Value (₹in lakhs)
1. PETROLEUM PRODUCTS:								
<b>Year ended 31.03.16</b>	-	-	<b>0.64</b>	<b>29267.82</b>	<b>0.64</b>	<b>29267.82</b>	-	-
Year ended 31.03.15	-	-	0.51	28165.43	0.51	28165.43	-	-





**NOTE "31"- CONSUMPTION PARTICULARS OF RAW MATERIALS, STEEL COILS / SHEETS / STORES / SPARE PARTS AND COMPONENTS**

PARTICULARS	Imported		Indigenous		Total
	Value (₹ in Lakhs)	% to total Consumption	Value (₹ in Lakhs)	% to total Consumption	Value (₹ in Lakhs)
<b>Year ended 31.03.2016</b>					
Crude Oil and Gas	1711699.43	75	563704.63	25	2275404.06
Packing Materials Consumed			106.64	100	106.64
Steel Coils/Sheets/Stores/ Component and Spare Parts	324.53	2	13442.52	98	13767.05
<b>Year ended 31.03.2015</b>					
Crude Oil and Gas	3375419.00	86	549797.65	14	3925216.65
Packing Materials Consumed			153.86	100	153.86
Steel Coils/Sheets/Stores/ Component and Spare Parts	3171.00	25	9403.09	75	12574.09

**NOTE - "32" - EXPENDITURE IN FOREIGN CURRENCY FOR ROYALTY, KNOW-HOW, PROFESSIONAL & CONSULTATION FEES & OTHER MATTERS**

(₹ in Lakhs)

Particulars	Note	31 March, 2016	31 March, 2015
1. Professional, Technical and Consultation Fees		490.96	646.00
2. Interest		6978.81	7145.38
3. Others		185.89	250.72
<b>TOTAL</b>	A	<b>7655.66</b>	8042.10

A - Expenditure in Foreign Currency has been considered on accrual basis.

**NOTE - "33" - CIF VALUE OF IMPORTS**

(₹ in Lakhs)

Particulars	Note	31 March, 2016	31 March, 2015
1. Crude Oil	A	1727372.00	4007911.00
2. Capital Goods		4132.31	291.46
3. Revenue Stores, Component, Spare and Chemicals		5508.74	2008.16
<b>TOTAL</b>		<b>1737013.05</b>	4010210.62

A - Mainly includes value of imports through Indian Oil Corporation Ltd, the holding company





## ***Consolidated Financial Statements***

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<i>Notes to the Accounts</i>	⇒ 149-181

## **INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
Chennai Petroleum Corporation Limited  
Chennai

### **REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

We have audited the accompanying Consolidated financial statements of Chennai Petroleum Corporation Limited (hereinafter referred to as "the Holding Company") and its jointly controlled entity which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")

### **MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED 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 and consolidated cash flows of the Group including its Jointly Controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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.

### **AUDITORS' 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 thereunder.

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 disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, 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 accounting policies used and the reporting in place and the operating effectiveness of such controls. 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 and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters, 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, of the consolidated state of affairs of the Holding Company and its jointly controlled entity as at 31<sup>st</sup> March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## **EMPHASIS OF MATTER**

- I. Attention is drawn to Note No 29 (15) (b) regarding non consolidation of financial statements of the joint controlled entity National Aromatics and Petrochemical Corporation Limited for the reasons stated therein. Our opinion is not qualified in that respect.*

## **OTHER MATTERS**

We did not audit the financial statements of the jointly controlled entity Indian Additives Limited whose financial statements reflect total assets of ₹ 32918.61 Lakhs as at 31<sup>st</sup> March, 2016, total revenues of ₹ 58,508.30 Lakhs and net increase in cash flows amounting to ₹ 6158.18 Lakhs for the year ended on that date, as considered in the consolidated financial statements. 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, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entity, is based solely on the reports of the other auditors.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by Section 143(3) of the Act, we report, to the extent applicable, that

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) Clauses referred to Section 164 (2) of the Companies Act 2013 does not apply to directors of Government Companies as per Government of India, Ministry of Corporate Affairs, Notification dated 5<sup>th</sup> June 2015 and based on the report of the auditor of the Joint Controlled Entity none of the directors of the jointly controlled entity incorporated in India is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the holding Company and its jointly controlled entity 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:
  - (i) The consolidated financial statements discloses the impact of pending litigations on the consolidated financial position of the Company, and jointly controlled entity in accordance with the generally accepted accounting practice - Refer Note 29 (1) (a) to the consolidated financial statements.
  - (ii) The Company and jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its jointly controlled entity incorporated in India.

**For R.Subramanian and Company**

Chartered Accountants

FRN: 004137S

**For S. Viswanathan LLP**

Chartered Accountants

FRN: 004770S/S200025

**R.Rajaram**

Partner

Membership No: 025210

Place : Chennai

Date : 23rd May, 2016

**V C Krishnan**

Partner

Membership No: 022167



## **ANNEXURE - A TO THE AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of Chennai Petroleum Corporation Limited (hereinafter referred to as "the Holding Company") as of 31<sup>st</sup> March 2016 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 company, which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding 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 financial statements for external purposes in accordance with the 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 financial statements in accordance with the 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 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 Holding company and its jointly controlled company, which are companies incorporated in India have, 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 31<sup>st</sup> March 2016, 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 Indian Additives Limited, jointly controlled company, which is incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

#### **For R.Subramanian and Company**

Chartered Accountants

FRN: 004137S

#### **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 : 23rd May 2016





## Consolidated Balance Sheet as at March 31, 2016

(₹ in lakhs)

Particulars	Note No.	March 31, 2016	March 31, 2015
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds:</b>			
a) Share Capital	2	114900.46	14900.46
b) Reserves and Surplus	3	225388.76	159387.76
		<b>340289.22</b>	174288.22
<b>(2) Non-Current Liabilities</b>			
a) Long-term borrowings	4	100000.00	100000.00
b) Deferred tax liabilities (Net)	5	115.98	163.13
c) Other Long-term liabilities	6	409.48	482.40
d) Long-term provisions	7	6377.88	5435.24
		<b>106903.34</b>	106080.77
<b>(3) Current liabilities</b>			
a) Short-term borrowings	8	256048.25	339909.18
b) Trade payables	9	250563.34	324921.14
c) Other current liabilities	6	72645.96	152445.69
d) Short-term provisions	7	19207.37	9494.22
		<b>598464.92</b>	826770.23
<b>TOTAL</b>		<b>1045657.48</b>	1107139.22
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
a) Fixed Assets			
i) Tangible Assets	10	410754.13	409511.12
ii) Intangible Assets	11	543.76	691.23
iii) Capital Work-in-Progress	12	164606.94	77833.69
iv) Intangible Assets under development	13	596.98	596.98
		<b>576501.81</b>	488633.02
b) Non-current investments	14	239.55	1359.00
c) Long-term loans and advances	15	15272.12	12967.33
d) Other non-current assets	16	10.39	12.43
		<b>592023.87</b>	502971.78
<b>(2) Current Assets</b>			
a) Inventories	18	324671.72	385691.87
b) Trade receivables	19	79985.87	185045.62
c) Cash and Bank Balances	20	7702.30	4703.67
d) Short-term loans and advances	15	40824.81	28488.69
e) Other current assets	17	448.91	237.59
		<b>453633.61</b>	604167.44
<b>TOTAL</b>		<b>1045657.48</b>	1107139.22
<b>Statement of Significant Accounting Policies</b>	1		
<b>Notes on Financial Statement</b>	2 to 38		

(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**

Chartered Accountants  
FRN: 004137S

**R. Rajaram**

Partner  
Membership No. 025210

Place : Chennai

Date : May 23, 2016

**For S. VISWANATHAN LLP**

Chartered Accountants  
FRN: 004770S / S200025

**V C Krishnan**

Partner  
Membership No. 022167

**Consolidated Statement of Profit and Loss for the year ended March 31, 2016**

(₹ in Lakhs)

Particulars	Note No.	March 31, 2016	March 31, 2015
<b>I. Revenue from Operations (Gross)</b>	21	3529343.28	4819018.12
<b>Less: Excise Duty</b>		900946.82	606211.37
<b>Revenue from Operations (Net)</b>		<b>2628396.46</b>	4212806.75
<b>II. Other Income</b>	22	<b>3272.23</b>	3102.61
<b>III. Total Revenue</b>		<b>2631668.69</b>	<b>4215909.36</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	23	2293139.94	3944840.55
Purchase of Stock-in-Trade	31	31125.71	29368.54
Changes in Inventories of finished goods and Work-in-progress (Increase) / Decrease	24	21858.14	131314.11
Employee benefits expense	25	36452.70	34757.09
Finance costs	26	30976.56	40432.95
Depreciation and Amortisation on :			
a) Tangible Assets	10	26696.52	22772.16
b) Intangible Assets	11	205.67	174.25
Other expenses	27	26902.19	22946.41
<b>Total expenses</b>		<b>108721.48</b>	84549.67
<b>V. Profit / (Loss) before Prior Period, Exceptional and Extraordinary Items and Tax</b>		<b>82491.99</b>	(72299.96)
<b>VI. Income / (Expenses) pertaining to previous years (Net)</b>	28	-	(446.14)
<b>VII. Profit / (Loss) before Exceptional and Extraordinary Items and Tax</b>		<b>82491.99</b>	(72746.10)
<b>VIII. Exceptional Items</b>		-	-
<b>IX. Profit / (Loss) before Extraordinary Items and Tax</b>		<b>82491.99</b>	(72746.10)
<b>X. Extraordinary Items</b>		-	-
<b>XI. Profit / (Loss) Before Tax</b>		<b>82491.99</b>	(72746.10)
<b>XII. Tax expenses:</b>			
(a) Current tax		3509.03	933.27
(b) Deferred tax		(47.16)	(14.08)
(c) Deferred tax - Prior period	5	-	(70339.89)
<b>XIII. Profit / (Loss) for the period from continuing operations (XI-XII)</b>		<b>79030.12</b>	(3325.40)
<b>XIV. Profit / (Loss) from discontinuing operations</b>		-	-
<b>XV. Tax expense of discontinuing operations</b>		-	-
<b>XVI. Profit / (Loss) from discontinuing operations(after tax) (XIV-XV)</b>		-	-
<b>XVII. Profit / (Loss) for the period (XIII+XVI)</b>		<b>79030.12</b>	(3325.40)
<b>XVIII. Earning per equity share:</b>			
(a) Basic (₹)		50.28	(2.23)
(b) Diluted (₹)		50.28	(2.23)
Face Value per share (₹)		10.00	10.00

**Statement of Significant Accounting Policies 1**

**Notes on Financial Statement 2 to 38**

Total revenue includes ₹ 29254.16 Lakhs (2015: ₹ 26300.41 Lakhs) towards share of jointly controlled entities.

Total expenses includes ₹ 24914.12 Lakhs (2015: ₹ 24216.07 Lakhs) towards share of jointly controlled entities.

(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**

Chartered Accountants

FRN: 004137S

**R. Rajaram**

Partner

Membership No. 025210

Place : Chennai

Date : May 23, 2016

**For S. VISWANATHAN LLP**

Chartered Accountants

FRN: 004770S / S200025

**V C Krishnan**

Partner

Membership No. 022167



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lakhs)

Particulars	March 31, 2016	March 31, 2015
<b>A. Cash Flow from Operating Activities</b>		
Profit Before Tax	82491.99	(72154.40)
Adjustments for :		
Depreciation and Amortisation	26902.19	22946.41
Income from Long - term Investment	(78.55)	(652.05)
Profit on Sale of Assets	(726.26)	(6.56)
Liabilities/Prov. for Claims written back	(395.56)	(702.72)
Provision for		
a) Doubtful Debts, Advances, Claims	-	116.60
b) Capital Work in Progress	1070.14	-
c) Stores, Spares and Consumables, Others etc.,	391.71	565.93
Loss on Assets Sold /Discarded	72.10	592.75
Amortisation of Premium on Forward Contracts	968.26	151.65
Finance Cost	30976.56	40416.06
Interest income from short term investment	(159.68)	(120.90)
<b>B. Operating Profit Before Working Capital Changes</b>	141512.89	(8847.22)
<b>C. Changes in Working Capital</b>		
(Excluding Cash & Bank Balances)		
Trade and Other Receivables	90667.22	30962.03
Inventories	60628.44	288485.38
Trade and Other Payables	(54619.82)	(201594.79)
Change in Working Capital	96675.84	117852.62
<b>D. Cash generated from Operations ( B + C )</b>	238188.73	109005.40
<b>E. Less : Direct Taxes Paid</b>	(3500.93)	(693.94)
<b>F. Net Cash Flow from Operating Activities ( D + E )</b>	234687.80	108311.46
<b>G. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(117610.83)	(48689.15)
Sale of Assets	839.25	19.08
Investments (Net)	1198.00	-
Interest Income	159.68	120.90
Income from long term investment	-	591.70
<b>Net Cash used in Investment Activities</b>	(115413.91)	(47957.46)

(Contd.,)  
( ₹ in Lakhs)

Particulars	March 31, 2016	March 31, 2015
<b>H. Net Cash Flow from Financing Activities</b>		
Proceeds from / (Repayments of) Long Term Borrowings	(100000.00)	(14742.28)
Proceeds from / (Repayments of) Short Term Borrowings	(84225.89)	(5462.28)
Proceeds from issue of Preference Share Capital	100000.00	-
Interest Paid	(31928.92)	(40618.84)
Dividend Distribution Tax Paid	(120.46)	(100.56)
Net Cash Generated/(Used) from Financing Activities	(116275.27)	(60923.97)
<b>I. Net change in Cash &amp; Bank Balances (F + G + H)</b>	<b>2998.63</b>	<b>(569.98)</b>
<b>J. Cash and Bank Balances at the end of Financial Year</b>	<b>7702.30</b>	<b>4703.67</b>
<b>K. Cash and Bank Balances at the beginning of Financial Year</b>	<b>4703.67</b>	<b>5273.65</b>
<b>Net Change in Cash and Bank Balances (J-K)</b>	<b>2998.63</b>	<b>(569.98)</b>

**Notes :**

<b>1. Cash and Bank Balances at the end of Financial Year</b>	<b>7702.30</b>	<b>4703.67</b>
<b>Less :</b>		
<b>Bank Balances with Scheduled Banks :</b>		
a) Current Account ( Earmarked balances)	3388.87	3501.59
b) Deposit Account held with bank for other commitments	521.66	3970.79
<b>Cash and Cash Equivalents Total</b>	<b>3791.77</b>	<b>732.88</b>

2. The Previous year's figures have been regrouped wherever necessary for uniformity in presentation.

(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**  
Chartered Accountants  
FRN: 004137S

**R. Rajaram**  
Partner  
Membership No. 025210

Place : Chennai  
Date : May 23, 2016

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

**V C Krishnan**  
Partner  
Membership No. 022167



## NOTE 1

### A. PRINCIPLES OF CONSOLIDATION

1. The consolidated financial statements relate to Chennai Petroleum Corporation Limited (Holding Company) and its Joint Ventures.

The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of Joint Ventures have been combined by applying proportionate consolidation method on a line-by-line basis on items of assets, liabilities, income, and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard -27 on "Financial Reporting of Interests in Joint Ventures".
  - ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Company's separate financial statements.
2. The Consolidated Financial Statements include the results of the Joint venture entity: 'Indian Additives Limited'.
  3. Consolidation in respect of financial statements of Joint venture company 'National Aromatics and Petrochemical Corporation Limited' have not been incorporated in the preparation of consolidated financial statements as the Management has decided to exit from the JV and provided for full diminution in the value of investment and the JV is not operational.

### B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### 1. BASIS OF PREPARATION

- 1.1 The financial statements are prepared under historical cost convention in accordance with the mandatory accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 1.2 The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities as at the date of the financial statements. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from estimates.

#### 2. FIXED ASSETS

##### 2.1 Tangible Assets

- 2.1.1 Fixed assets are stated at cost of acquisition less accumulated depreciation / amortization. Cost of acquisition comprises purchase price including duties and other non recoverable taxes or levies net of discounts/rebate, and all directly attributable cost of bringing the asset to its working condition for its intended use.
- 2.1.2 Land acquired on perpetual lease as well as on lease for over 99 years is treated as free hold land.
- 2.1.3 Land acquired on lease for 99 years or less is treated as leasehold land.
- 2.1.4 Technical know-how / license fee relating to plants/facilities are capitalised as part of cost of the underlying asset.

##### 2.2 Capitalisation of Construction Period Expenses

- 2.2.1 Revenue expenses exclusively attributable to projects incurred during construction period are capitalised.
- 2.2.2 Financing cost incurred during construction period on loans specifically borrowed and utilised for projects is capitalised on quarterly basis up to the date of capitalisation.
- 2.2.3 Financing cost, if any, incurred on general borrowings used for projects is capitalised at the weighted average cost.

##### 2.3 Capital Stores

- 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 accounted for as intangible assets and amortized on a straight line basis over a period of ten years or life of the said plant/facility, whichever is earlier.

- 2.4.2 Expenditure incurred on Research and Development, other than on capital account, is charged to revenue.
- 2.4.3 Costs incurred on computer software purchased/developed on or after 1st April 2003, resulting in future economic benefits are capitalized as Intangible Asset and amortised over a period of three years beginning from the quarter in which such software is capitalized. However, where such computer software is still in development stage, costs incurred during the development stage of such software are accounted as 'Intangible Assets Under Development'.
- 2.4.4 Cost of Right of way for laying pipelines is capitalised and amortised on a straight line basis over the period of such Right of way or 99 years whichever is less.

## **2.5 Depreciation / Amortisation**

- 2.5.1 Cost of tangible fixed assets (net of residual value) is depreciated on straight-line method on the useful life prescribed in Schedule II to the Companies Act, 2013. Depreciation is charged pro-rata on quarterly basis on assets, from/upto the quarter of capitalisation/sale, disposal/ 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 asset separately.
- Residual value is considered between 1% to 5% of cost of assets. Further, in case of catalyst with noble metal content, residual value is considered based on the value of noble metal content.
- 2.5.2 Assets costing upto ₹ 5000/- per item are depreciated fully in the year of capitalisation. Insurance spares are depreciated fully over the remaining useful life of the main asset. Further, components like catalyst without noble metal content and major overhaul/inspection are also depreciated fully.
- 2.5.3 Capital expenditure on assets on which the ownership and control does not vest with the company are charged to revenue in the year in which it is incurred.
- 2.5.4 Cost of leasehold land (including premium) for 99 years or less is amortised over the lease period.

## **2.6 Impairment of Assets**

As at each balance sheet date, the carrying amount of Cash Generating Units/Assets is tested for impairment so as to determine:

- (a) the provision for impairment loss, if any, required; or
- (b) the reversal, if any, required of impairment loss recognized in previous periods.

Impairment loss is recognised where the carrying amount of an asset exceeds recoverable amount.

## **3. OPERATING LEASES (Other than Land leases)**

Lease rentals are recognised as expense or income on a straight line basis with reference to lease terms except where another systematic basis is more representative of the time pattern of the benefit derived from the asset taken or given on lease.

## **4. BORROWING COST**

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.

## **5. FOREIGN CURRENCY TRANSLATION**

- 5.1 Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transactions.
- 5.2 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.
- 5.3 Non-monetary items denominated in foreign currency (such as investments, fixed assets etc) are valued at the exchange rate prevailing on the date of transaction.
- 5.4 (a) Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit & Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency monetary items relating to acquisition of depreciable assets.
- (b) Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the assets.



- 5.5 Premium/discount arising at the inception of the forward exchange contracts entered into to hedge foreign currency risks are amortised 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.

## **6. INVESTMENTS**

- 6.1 Long-term investments are carried at cost and provision for diminution in the value thereof other than temporary in nature, is accounted.
- 6.2 Current investments are carried at lower of cost or market value.

## **7. INVENTORIES**

### **7.1 Raw Materials**

- 7.1.1 Crude oil is valued at cost determined on weighted average basis or net realisable value, whichever is lower.
- 7.1.2 Crude oil in-transit is valued at cost or net realisable value, whichever is lower.

### **7.2 Stock-in-process**

Stock-in-process is valued at raw material cost plus fifty percent of the cost of conversion or net realisable value, whichever is lower.

### **7.3 Finished Products**

- 7.3.1 Finished products are valued at cost determined on 'First-in-First-out' basis or net realisable value, whichever is lower. Cost of finished products is determined based on crude cost and processing cost.
- 7.3.2 Imported products in-transit is valued at CIF cost or net realisable value, whichever is lower.

### **7.4 Stores and Spares**

- 7.4.1 Stores and Spares are valued at weighted average cost. 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 percent 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.
- 7.4.2 Stores and Spares in transit are valued at cost.

## **8. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

### **8.1 Contingent Liabilities**

- 8.1.1 Show Cause Notices issued by various Government Authorities are not considered as obligations.
- 8.1.2 When the demand notices are raised against such show cause notices and are disputed by the Company, then these are classified as disputed obligations.
- 8.1.3 The treatment in respect of disputed obligations, in each case above ₹ 5 lakhs, is 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.

### **8.2 Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account above ₹ 5 lakhs in each case are considered for disclosure.

## **9. REVENUE RECOGNITION**

- 9.1 Revenue from sale of goods is recognised when significant risks and rewards are transferred to customers in accordance with the terms of sale.
- 9.2 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.
- 9.3 Other claims (including interest on outstandings) are accounted:
- a) When there is certainty that the claims are realizable
  - b) Generally at cost



- 9.4 Dividend income is recognized when the company's right to receive the dividend is established.
- 9.5 Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- 9.6 Income and expenditure are disclosed as prior period items only when the value exceeds ₹ 5 lakhs in each case.
- 9.7 Prepaid Expenses upto ₹ 5 lakhs in each case are charged to revenue.

**10. TAXES ON INCOME**

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Deferred Tax Liability / Asset resulting from 'timing difference' between book and taxable profit is accounted for considering the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

**11. EMPLOYEE BENEFITS**

**11.1 Short Term Benefits:**

Short Term Employee Benefits are accounted in the period during which the services have been rendered.

**11.2 Post-Employment Benefits and Other Long Term Employee Benefits:**

- 11.2.1 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. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company and charged to Statement of Profit and Loss.
- 11.2.2 The Company operates defined benefit plans for Gratuity. 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 and are administered through a fund maintained by Insurance Company. Actuarial gains/losses are charged to Statement of Profit and Loss.
- 11.2.3 The liability of the Company in respect of superannuation scheme is restricted to the fixed contribution paid by the Company on a monthly basis towards the defined contribution scheme maintained by Insurance Company, which is charged off to revenue.
- 11.2.4 Obligations on Compensated Absences, Post Retirement Medical Benefits and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year.

**11.3 Termination Benefits:**

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

**12. CASH AND CASH EQUIVALENT**

Cash and Cash equivalent includes cash at bank and on hand and also all highly liquid investment that are readily convertible into known amounts of cash.

**13. 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.

**14. COMMODITY HEDGING**

The realized gain or loss in respect of commodity hedging contracts, the pricing period of which has expired during the year are recognised in the Statement of Profit and Loss. However, in respect of those contracts the pricing period of which extends beyond the balance sheet date suitable provision for likely loss, if any, is made.





## NOTE "2" - SHARE CAPITAL

(₹ in Lakhs)

Particulars	Note	March 31, 2016	March 31, 2015
<b>(1) Authorised</b>			
40,00,00,000 (2015: 40,00,00,000)			
Equity Shares of ₹ 10 each		40000.00	40000.00
1,00,00,00,000 (2015: NIL)			
Non-Convertible Cumulative Redeemable Preference Shares of ₹10 each		100000.00	-
		<b>140000.00</b>	40000.00
<b>(2) Issued :</b>			
17,00,00,000 (2015: 17,00,00,000)			
Equity Shares of ₹ 10 each	(i)	17000.00	17000.00
1,00,00,00,000 (2015: NIL)			
Non-Convertible Cumulative Redeemable Preference Shares of ₹10 each	(ii)	100000.00	-
		<b>117000.00</b>	17000.00
<b>(3) Subscribed, Called-up and Paid-up :</b>			
14,89,11,400 (2015: 14,89,11,400)			
Equity Shares of ₹ 10 each		14891.14	14891.14
Add: Forfeited Shares (amount originally paid up)		9.32	9.32
<b>Total Paid up Equity share Capital</b>		<b>14900.46</b>	14900.46
1,00,00,00,000 (2015: NIL)			
Non-Convertible Cumulative Redeemable Preference Shares of ₹10 each	(ii)	100000.00	-
<b>Total Paid up Preference share Capital</b>		<b>100000.00</b>	-
<b>TOTAL</b>		<b>114900.46</b>	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.

### (4) Reconciliation of No. of Shares (Opening and Closing)

	March 31, 2016		March 31, 2015	
	Equity	Preference	Equity	Preference
Opening Balance	148911400	-	148911400	-
Add: Bonus Shares issued during the year	-	-	-	-
Add: Shares allotted during the year	-	1000000000	-	-
Less: Shares bought back	-	-	-	-
Closing Balance	148911400	1000000000	148911400	-

### (5) 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.

**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.

**(6) Shares held by Holding Company**

(₹ in lakhs)

	March 31, 2016	March 31, 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
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.	100000.00	-

**(7) Details of shareholders holding more than 5% shares**

**Equity Shares**

S.No.	Name of Shareholder	March 31, 2016		March 31, 2015	
		Number of Shares held	Percentage of Holding	Number of Shares held	Percentage of Holding
a)	Indian Oil Corporation Limited	7,72,65,200	51.89	7,72,65,200	51.89
b)	Naftiran Intertrade Company Limited	2,29,32,900	15.40	2,29,32,900	15.40

**Preference Shares**

S.No.	Name of Shareholder	March 31, 2016		March 31, 2015	
		Number of Shares held	Percentage of Holding	Number of Shares held	Percentage of Holding
a)	Indian Oil Corporation Limited	1,00,00,00,000	100.00	-	-


**NOTE " 3 " - RESERVES AND SURPLUS**

(₹ in Lakhs)

Particulars	March 31, 2016	March 31, 2015
<b>(1) Capital Redemption Reserve :</b>		
Opening balance	-	
Addition	<u>20000.00</u>	
	<b>20000.00</b>	-
<b>(2) Securities Premium Account :</b>		
Opening balance	-	25214.86
<b>(3) Debenture Redemption Reserve :</b>		
Opening balance	-	-
Addition	<u>15000.00</u>	-
	<b>15000.00</b>	
<b>(4) General Reserve :</b>		
As per last account	337571.73	340309.94
Add: Transfer from Surplus in Statement of Profit and Loss during the year	255.50	117.61
Less : Carrying amount of assets less residual value of assets whose remaining useful life has become 'Nil' ( Refer Note : 10)"	<u>(1584.63)</u>	<u>(2855.82)</u>
	<b>336242.60</b>	337571.73
<b>(5) Surplus :</b>		
Opening balance	(203398.83)	(199835.36)
Add: Profit / ( Loss ) for the Year	79030.11	(3325.40)
Less: Deductions		
Capital Redemption Reserve	20000.00	-
Debenture Redemption Reserve	15000.00	-
Proposed Dividend on Preference Shares	3452.19	-
Proposed Dividend on Equity Shares	5956.46	-
Dividend Distribution Tax	2035.84	120.46
Transfer to General Reserve	<u>255.50</u>	<u>117.61</u>
<b>TOTAL</b>	<b>(171068.69)</b>	<b>(203398.83)</b>
<b>TOTAL</b>	<b>225388.76</b>	<b>159387.76</b>
<b>Share of jointly controlled entities</b>	<b>10634.17</b>	<b>8199.68</b>

**NOTE " 4 " - LONG TERM BORROWINGS**

(₹ in Lakhs)

Particulars	Note	Non Current March 31, 2016	March 31, 2015	Current Maturities March 31, 2016	March 31, 2015
<b>(1) SECURED LOANS</b>					
<b>Debentures :</b>					
10000 Nos. of 9.65% Secured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - II	(i)	<b>100000.00</b>	100000.00	-	-
10000 Nos. of 8.85% Secured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - I	(ii)	-	-	-	100000.00
<b>TOTAL</b>		<b>100000.00</b>	100000.00	-	100000.00
<b>Share of jointly controlled entities</b>		-	-	-	-

### **Nature of Security and Terms of repayment for Secured Loans**

<b>Nature of Security</b>	<b>Terms of Repayment</b>
(i) Secured Redeemable Non Convertible Debentures (Series-II) - First Charge on the 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. The valuation of such security is based on valuation report obtained at the time of creation of charge.	Principal repayable at the end of 5 years from 10.01.2014 being date of allotment. Interest payable annually on 10th January at the rate of 9.65% p.a.
(ii) The Company has redeemed Non Convertible Debenture (Series I) amounting to ₹ 100000 Lakhs on 18.02.2016 by exercising Call option.	

### **NOTE "5" - DEFERRED TAX LIABILITIES / (ASSETS) (NET)**

Due to future taxable income arising on account of reversal of timing 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 of ₹ 77956.16 lakhs.

(₹ in Lakhs)

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
<b>Deferred Tax Liability:</b>		
Related to Fixed Assets	<b>78105.26</b>	76012.99
Retirement benefits to employees	<b>90.81</b>	-
<b>Total Deferred Tax Liability (A)</b>	<b>78196.07</b>	76012.99
<b>Deferred Tax Assets:</b>		
Carry forward Business Loss / Unabsorbed Depreciation	<b>77956.16</b>	75767.49
Provision for Employee Benefits	<b>31.23</b>	23.29
Other timing differences	<b>92.70</b>	59.08
<b>Total Deferred Tax Assets (B)</b>	<b>78080.09</b>	75849.86
<b>Deferred Tax Liability (Net) TOTAL (A-B)</b>	<b>115.98</b>	163.13
<b>Share of jointly controlled entities</b>	<b>115.98</b>	163.13

# **NOTE "6" - OTHER LIABILITIES**

(₹ in Lakhs)

Particulars	Note	Non Current		Current	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
(1) Current Maturities of Long-Term Debt		-	-	-	100000.00
(2) Interest accrued but not due on loans		-	-	2173.73	3243.75
(3) Unpaid Dividend	(i)	-	-	3388.87	3501.59
(4) Liability on Foreign Currency Forward Contracts	(ii)		44328.29		-
Less: Foreign Currency Receivables on Forward Contracts		-	(43725.00)	603.29	-
(5) Security Deposits		409.48	482.40	2486.56	1747.24
(6) Others		-	-	63993.51	43953.11
Statutory Liabilities		-	-		28710.56
Sundry Creditors - Projects		-	-		8766.84
Employee Liabilities & Others		-	-		6475.71
<b>TOTAL</b>		<b>409.48</b>	<b>482.40</b>	<b>72645.96</b>	<b>152445.69</b>
<b>Share of jointly controlled entities</b>		-	-	<b>381.59</b>	<b>209.17</b>

(i) There are no amounts due for payment to the Investor Education and Protection Fund as at the year end. Balance as at 31<sup>st</sup> March 2016 includes ₹ 3210.61 Lakhs (2015 : ₹ 3210.61 Lakhs) of unpaid dividend to Naftiran Inter trade company Limited (NICO) for the financial years ending 2011 and 2012 which could not be remitted due to sanctions imposed by US / European Union against Iran.

(ii) Refer SL No 9 of Note 29



NOTE " 7 " - PROVISIONS

PARTICULARS		Non Current		Current	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
1	Provision for Employee Benefits	5188.10	4641.95	7443.23	9356.30
2	Provision for Taxation:	674.37	432.12		6714.01
	Less : Advance payments	-	-	(7984.42)	(6696.55)
	<b>Provision for Taxation (Net)</b>	<b>674.37</b>	<b>432.12</b>	<b>319.65</b>	<b>17.46</b>
3	<b>Other Provision</b>				
	a) Provision for Proposed Dividend	-	-	<b>9408.65</b>	-
	b) Provision for Dividend Distribution Tax on Proposed Dividend	-	-	<b>2035.84</b>	120.46
	c) Others	515.41	361.17	-	-
	<b>TOTAL</b>	<b>6377.88</b>	<b>5435.24</b>	<b>19207.37</b>	<b>9494.22</b>
	<b>Share of jointly controlled entities</b>	<b>1280.19</b>	<b>873.80</b>	<b>481.04</b>	<b>172.69</b>



## NOTE " 8 " - SHORT-TERM BORROWINGS

(₹ in Lakhs)

PARTICULARS	NOTE	March 31, 2016	March 31, 2015
<b>(1) SECURED LOANS</b>			
<b>Loans repayable on demand</b>			
<b>From Banks:</b>			
a) In Foreign Currency			
Buyers' Credit		-	73130.85
(USD: Nil; 2015 : USD 117 Mn)			
b) In Indian Rupees			
Working Capital Demand Loan		-	75500.00
Cash Credit		103.68	451.04
<b>Sub-Total</b>	(i)	<b>103.68</b>	<b>149081.89</b>
<b>(2) UNSECURED LOANS</b>			
<b>Loans repayable on demand</b>			
<b>From Banks/Financial Institutions:</b>			
a) In Foreign Currency			
Foreign Currency Non repatriable / Packing credit foreign currency loan		63609.60	69380.55
(USD : 96 Mn; 2015 : USD 111 Mn)			
Buyers' Credit		23191.00	61254.90
(USD : 35 Mn; 2015 : USD 98 Mn)			
b) In Rupees			
Book Overdraft		143.97	191.84
Working Capital Demand Loan		99000.00	-
Commercial Paper		70000.00	60000.00
<b>Total Unsecured Loans</b>		<b>255944.57</b>	<b>190827.29</b>
<b>TOTAL SHORT-TERM BORROWINGS</b>		<b>256048.25</b>	<b>339909.18</b>

### Share of jointly controlled entities

(i) Secured against hypothecation of current assets to the extent of ₹ 418400 Lakhs with State Bank of India (2015: ₹ 418400 lakhs)

## NOTE " 9 " - TRADE PAYABLES

(₹ in Lakhs)

PARTICULARS	Note	March 31, 2016	March 31, 2015
<b>Trade Payables:</b>			
a) Total Outstanding dues to Micro, Small and Medium Enterprises	(i)	86.79	9.46
b) Total Outstanding dues to Related Parties	(ii)	175764.32	198124.62
c) Total dues to creditors other than Micro, Small and Medium Enterprises		74712.23	126787.06
<b>TOTAL</b>		<b>250563.34</b>	<b>324921.14</b>

### Share of jointly controlled entities

(i) With regard to Disclosure requirement 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 31.03.2016 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.

(ii) Represents dues to Indian Oil Corporation Ltd., the holding company.

(₹ in Lakhs)

		GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
Particulars	Note	Gross block as at 01-Apr-15	Additions	Disposals	Transfers/ Deductions/ Adjustments/ Reclassifications	Gross Block as at 31-Mar-16 (Ref. Note E)	Depreciation and Amortisation as at 01-Apr-15	Charged to Statement of Profit and Loss	Adjusted in General Reserve (Ref. Note C)	Depreciation on disposals/ transfers/ deductions etc	Total Depreciation and Amortisation upto 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15
Land													
- Freehold	A	3941.14	-	-	-	3941.14	-	-	-	-	-	3941.14	3941.14
- Leasehold	B	780.85	-	(78.85)	-	702.00	123.34	7.24	-	(13.54)	117.04	584.96	657.51
Buildings, Road etc.		27849.49	672.60	(192.50)	-	28329.59	15000.89	773.34	-	(179.12)	15595.11	12734.48	12848.60
Plant and Equipment	C	779639.41	28372.57	(2201.41)	-	805810.57	391652.32	25171.86	1584.63	(2114.19)	416294.62	389515.95	387987.09
Office Equipments		4795.70	390.88	(118.32)	-	5068.26	3786.94	401.16	-	(114.69)	4073.41	994.85	1008.76
Transport Equipments		2453.95	161.77	(4.58)	-	2611.14	1920.30	38.00	-	(4.35)	1953.95	657.19	533.65
Furniture and Fixtures		2015.26	111.43	(92.14)	-	2034.55	1354.54	192.11	-	(76.82)	1469.83	564.72	660.72
Railway Sidings	D	6.12	-	-	-	6.12	5.82	-	-	-	5.82	0.30	0.30
Drainage, Sewage and Water Supply System		2401.40	-	-	-	2401.40	528.07	112.79	-	-	640.86	1760.54	1873.33
Total		823883.32	29709.25	(2687.80)	-	850904.77	414372.22	26696.52	1584.63	(2502.71)	440150.64	410754.13	409511.10
Previous Year		822641.98	4781.28	(3683.09)	143.15	823883.32	391812.79	22772.16	2865.12	(3077.85)	414372.22	409511.12	430829.19

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.

BB : Refer S.No. 2.1.3 and 2.5.4 of Note - 1, Significant Accounting Policies.

C.: Pursuant to the requirements prescribed under Schedule II to the Companies Act, 2013 the Company has, effective 1<sup>st</sup> April 2015, reviewed and identified the components (significant parts) of the main asset having different useful lives as compared to the main asset and depreciation has been charged accordingly. Due to this, the depreciation for the year 2015-16 is higher by ₹ 9984.29 lakhs. In addition, as per the transitional provisions, the Company has charged ₹ 1584.63 lakhs to the opening balance of General reserve as at 1<sup>st</sup> April, 2015.

D : 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.

E: The cost of assets are net of VAT/CENVAT, wherever applicable.

**Net Block of Tangible Assets includes ₹ 2376.04 Lakhs (2015: ₹ 2475.50 Lakhs) towards share of jointly controlled entities.**



**NOTE "11" : INTANGIBLE ASSETS**

( ₹ in Lakhs)

Particulars	AT COST					AMORTISATION			NET BLOCK	
	Gross Block as at 01-Apr-15	Additions	Disposals	Transfers/ Deductions/ Adjustments/ Reclassifications	Gross Block as at 31-Mar-16	Amortisation as at 01-Apr-15	Amortisation for the year	Amortisation on disposals/ transfers/ deductions etc	Total Amortisation upto 31-Mar-16	As at 31-Mar-16 As at 31-Mar-15
Right of Way	30.68	-	-	-	30.68	3.80	0.31	-	4.11	26.88
Technical Know-How, Royalty and License Fees	3981.27	-	-	-	3981.27	3405.26	140.95	-	3546.21	576.01
Software	1526.00	58.20	-	-	1584.20	1437.66	64.41	-	1502.07	88.34
<b>Total</b>	<b>5537.95</b>	<b>58.20</b>	<b>-</b>	<b>-</b>	<b>5596.15</b>	<b>4846.72</b>	<b>205.67</b>	<b>-</b>	<b>5052.39</b>	<b>691.23</b>
Previous Year	5533.86	4.09	-	-	5537.95	4672.47	174.25	-	4846.72	861.39

**Net Block of Intangible Assets includes ₹ 67.99 Lakhs (2015: ₹ 46.81 Lakhs) towards share of jointly controlled entities.**



**NOTE "12" CAPITAL WORK IN PROGRESS**

(₹ in Lakhs)

<b>PARTICULARS</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
(1) Construction Work in Progress - Tangible Assets (Including unallocated capital expenditure)	163208.56	-
Less : Provision for Capital losses	<u>(1070.14)</u>	-
	<b>162138.42</b>	74488.93
(2) Capital stores	<b>2468.52</b>	3344.76
(3) Construction Period Expenses pending allocation:		
Net expenditure during the year (Note -"12.1")	9241.45	3734.90
Less: Allocated to assets during the year	<u>(9241.45)</u>	<u>(3734.90)</u>
	-	-
<b>TOTAL</b>	<b><u>164606.94</u></b>	<b><u>77833.69</u></b>
<b>Share of jointly controlled entities</b>	<b>356.96</b>	187.81

**NOTE "12.1" CONSTRUCTION PERIOD EXPENSES (NET) DURING THE YEAR**

(₹ in Lakhs)

<b>PARTICULARS</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
(1) Payments to and Provision for Employees	<b>1085.23</b>	889.94
(2) Own Fuel	<b>76.32</b>	-
(3) Travelling, Conveyance & Others	<b>12.09</b>	22.24
(4) Interest	<b>8067.81</b>	2822.72
<b>Net Expenditure during the year</b>	<b><u>9241.45</u></b>	<b><u>3734.90</u></b>

**NOTE "13" INTANGIBLE ASSETS UNDER DEVELOPMENT**

(₹ in Lakhs)

<b>PARTICULARS</b>	<b>NOTE</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Technical Know - how license	(i)	<b>596.98</b>	596.98
<b>TOTAL</b>		<b><u>596.98</u></b>	<b><u>596.98</u></b>

**Share of jointly controlled entities**

-

-

(i) Refer Sl. No 2.4.1 of Note 1



## NOTE "14" NON CURRENT INVESTMENTS

(₹ in Lakhs)

PARTICULARS	NO. AND PARTICULARS OF SHARES/ UNITS	NOTE	FACE VALUE PER SHARE ₹	March 31, 2016	March 31, 2015
<b>(1) Trade Investments</b>					
<b>(Unquoted, at cost):</b>					
<b>Investment in Equity Instruments</b>					
Petroleum India International (AOP of Oil Companies)	Capital Fund Share in accumulated surplus	(i)	5.00		500.00
			<u>223.65</u>	<b>228.65</b>	<u>848.10</u>
					1348.10
<b>(2) Other Investments</b>					
<b>(Unquoted, at cost) :</b>					
<b>Investment in Equity Instruments</b>					
BioTech Consortium India Ltd	100000 Equity Shares fully paid		10	<b>10.00</b>	10.00
<b>Investment in Others :</b>					
MRL Industrial Cooperative Service Society Ltd	9000 Shares fully paid		10	<b>0.90</b>	0.90
<b>TOTAL</b>				<b>239.55</b>	1359.00
Aggregate value of Unquoted Non Current Investments				<b>239.55</b>	1359.00
Aggregate value of provisions on Unquoted Non Current Investments				-	-
<b>Share of jointly controlled entities</b>				-	-

- (i) During the year, Petroleum India International has reduced the capital from ₹ 500 lakhs to ₹ 5 lakhs and has partially distributed its surplus. Accordingly, ₹ 1198 lakhs has been received during the year from Petroleum India International

(₹ in Lakhs)

**NOTE " 15 " - LOANS AND ADVANCES**

PARTICULARS	NOTE	LONG TERM		SHORT TERM	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
(1) Capital Advances					
Unsecured, Considered Good	(i)	7382.57	5726.17	-	-
(2) Advance recoverable in cash or in kind for value to be received:					
a) From Related Parties					
i) Secured, Considered Good	(ii) (a)	3.97	4.33	0.40	0.40
ii) Unsecured, Considered Good	(ii) & (iii)	4.18	4.87	1.77	1.27
b) From Others					
i) Secured, Considered Good		3253.16	3879.76	770.42	479.39
ii) Unsecured, Considered Good		2011.20	1597.60	5170.32	3562.17
		<b>5272.51</b>	<b>5486.56</b>	<b>5942.91</b>	<b>4043.23</b>
(3) Claims Recoverable :					
a) From Related Parties					
i) Unsecured, Considered Good	(iv)	-	-	4.10	-
ii) Unsecured, Considered Doubtful	(v)	-	-	1440.36	1440.36
				1444.46	1440.36
				1440.36	1440.36
Less : Provision for Doubtful Claims		-	-	<b>4.10</b>	-
b) From Others					
i) Unsecured, Considered Good		-	-	13118.19	9616.78
ii) Unsecured, Considered Doubtful		-	-	218.19	478.05
		-	-	13336.38	10094.83
Less : Provision for Doubtful Claims		-	-	218.19	478.05
		-	-	<b>13118.19</b>	<b>9616.78</b>
(4) Balance with Customs, Port Trust and Excise Authorities:					
Unsecured, Considered Good		380.34	151.90	5937.87	3992.38
(5) Deposits for Leave Encashment Fund	(vi)	-	-	4683.30	7663.75
(6) Advance Income Tax		2573.10	360.04	-	-
Less: Provision for Income Tax		(1755.40)	-	-	-
		<b>817.70</b>	<b>360.04</b>	-	-
(7) Materials given on Returnable basis to Related party -Unsecured, Considered Good	(iv)	-	-	52.28	60.23
(8) Sundry Deposits					
Unsecured, Considered Good		1419.00	1242.66	11086.16	3112.32
<b>TOTAL</b>	(vii)	<b>15272.12</b>	<b>12967.33</b>	<b>40824.81</b>	<b>28488.69</b>
Share of jointly controlled entities		<b>477.25</b>	<b>258.22</b>	<b>1335.58</b>	<b>1642.57</b>

# NOTE " 15 " - LOANS AND ADVANCES

( ₹ in Lakhs)

PARTICULARS	LONG TERM			SHORT TERM	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	
(i) Includes dues from Indian Oil Corporation Ltd, the holding company ₹ 96.48 Lakhs, (2014-15 : Nil)					
(ii) Includes:					
Due from Directors	2.96	3.40	0.62	0.62	
Maximum amount due during the year ₹ 4.02 Lakhs, (2014-15: ₹ 4.72 Lakhs)					
(ii)(a) Due from Officers	3.97	4.33	0.40	0.40	
(iii) Due from Officers	1.22	1.47	1.15	0.65	
Maximum amount due during the year ₹ 7.06 Lakhs, (2014-15 : ₹ 7.80 Lakhs)					
(iv) Represents dues from Indian Oil Corporation Ltd, the holding company					
(v) Represents dues from National Aromatics and Petrochemicals Corporation Limited, Joint Venture Company					
(vi) Deposits for Leave Encashment Fund balance is net of withdrawals for disbursements ₹ 3471.49 Lakhs					
(2014-15 : ₹ 348.78 Lakhs) and contribution/accruals ₹ 491.04 Lakhs (2014-15 : ₹ 1529.47 Lakhs) during the year					
(vii) <b>Disclosure requirements under Regulation 34(3) of Securities &amp; Exchange Board of India</b>					
<b>(Listing Obligations and Disclosure Requirements) Regulations 2015</b>					
1 Loans and advances in the nature of loans to parent company,					
Indian Oil Corporation Limited	Nil	Nil	Nil	Nil	
Maximum amount outstanding during the year	Nil	Nil	Nil	Nil	
2 Loans and advances in the nature of loans to associates	Nil	Nil	Nil	Nil	
Maximum amount outstanding during the year	Nil	Nil	Nil	Nil	
3 Loans and advances in the nature of loans to firms/companies in which directors are interested	Nil	Nil	Nil	Nil	



**NOTE "16" OTHER NON-CURRENT CURRENT ASSETS**

(₹ in Lakhs)

PARTICULARS	March 31, 2016	March 31, 2015
Bank deposits (due to mature after 12 months from the reporting date)	10.39	12.43
<b>TOTAL</b>	<b>10.39</b>	<b>12.43</b>
<b>Share of jointly controlled entities</b>	<b>10.39</b>	<b>12.43</b>

**NOTE "17" OTHER CURRENT ASSETS**

(₹ in Lakhs)

PARTICULARS	March 31, 2016	March 31, 2015
(1) Interest Accrued on Investments/ Bank Deposits	81.60	52.19
(2) Gold Coins on Hand (at Cost)	63.88	66.92
Less: Provision for Diminution	(14.36)	-
	49.52	66.92
(3) Premium on Forward Contract		
As per Last account	-	-
Add:-Expenditure during the year	1257.27	151.65
	1257.27	151.65
Less:Amortised during the year	968.25	151.65
	289.02	-
(4) Unbilled revenue / Commission receivable (JV - Indian Additives Limited)	28.77	118.48
<b>TOTAL</b>	<b>448.91</b>	<b>237.59</b>
<b>Share of jointly controlled entities</b>	<b>61.42</b>	<b>123.20</b>

**NOTE "18" INVENTORIES**

(₹ in Lakhs)

PARTICULARS	NOTE	March 31, 2016	March 31, 2015
(1) Raw Materials			
On Hand		69847.84	96055.57
In Transit		86321.07	99488.64
		156168.91	195544.21
(2) Stores, Spares etc.			
On Hand		27092.48	26271.12
Less : Provision for Losses		3422.66	2938.58
		23669.82	23332.54
In Transit		536.06	660.05
		24205.88	23992.59
(3) Finished Products			
On Hand		115305.10	118583.51
In Transit		363.89	102.37
		115668.99	118685.88
(4) Stock in Process			
On Hand		28627.94	47469.19
<b>TOTAL</b>	(i)	<b>324671.72</b>	<b>385691.87</b>

(i) Refer SL No 7 of Significant Accounting Policies for mode of valuation

<b>Share of jointly controlled entities</b>	<b>4111.32</b>	<b>5182.85</b>
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## NOTE "19" - TRADE RECEIVABLES

(₹ in Lakhs)

PARTICULARS	NOTE	March 31, 2016	March 31, 2015
<b>(1) Over Six Months:</b>			
<b>From Related Parties</b>			
Unsecured, Considered Good	(i)	0.81	-
<b>From Others</b>			
i) Unsecured, Considered Good		65.27	309.62
ii) Unsecured, Considered Doubtful		-	116.60
		66.08	426.22
Less : Provision for Doubtful Debts		-	116.60
		<b>66.08</b>	309.62
<b>(2) Other Debts :</b>			
<b>From Related Parties</b>			
Unsecured, Considered Good	(i)	61819.37	162287.09
<b>From Others</b>			
a) Secured Considered Good	(ii)	12978.54	9037.60
b) Unsecured, Considered Good		5121.88	13411.31
		<b>79919.79</b>	184736.00
<b>TOTAL</b>		<b>79985.87</b>	185045.62

### Share of jointly controlled entities

**3846.23**

1833.78

- (i) Includes receivables from Indian Oil Corporation Ltd, the holding company - ₹ 61334.93 Lakhs. (2015: ₹ 161885.99 Lakhs) and receivables from Indian Additives Limited, Joint Venture Company - ₹ 485.25 Lakhs. (2015: ₹ 401.10 Lakhs)
- (ii) Represents dues for which mortgage and first charge on an asset is in favour of the company to the extent of ₹ 10000 Lakhs. (2015: ₹ 10000 Lakhs)

## NOTE "20" - CASH AND BANK BALANCES

(₹ in Lakhs)

PARTICULARS	NOTE	March 31, 2016	March 31, 2015
<b>(1) Cash and Cash Equivalents</b>			
a) Bank Balances with Scheduled Banks :			
Current Account		36.61	32.38
On deposit accounts (with original maturity of 3 months or less)		3755.00	700.00
b) Cash balances , including imprest		0.16	0.50
		<b>3791.77</b>	732.88
<b>(2) Other Bank Balances</b>			
Balances with bank held as other commitments		488.12	459.55
Balances with bank held as Margin Money		33.54	9.65
Earmarked Balances (Unpaid Dividend)	6 (3) (i)	3388.87	3501.59
		<b>3910.53</b>	3970.79
<b>TOTAL</b>		<b>7702.30</b>	4703.67

### Share of jointly controlled entities

**3816.13**

708.66

## NOTE "21" - REVENUE FROM OPERATIONS

(₹ in Lakhs)

PARTICULARS	NOTE	March 31, 2016	March 31, 2015
<b>(1) Sale of Products</b>	(i)	3531330.94	4820756.35
Less: Trade Discounts		3591.14	3740.95
Sales (Net of Discounts)		<b>3527739.80</b>	4817015.40
<b>(2) Other Operating Revenues (Note "21.1")</b>		<b>1603.48</b>	2002.72
<b>TOTAL</b>		<b>3529343.28</b>	4819018.12

(i) 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 ₹ 17322.40 Lakhs (2015: ₹ 412063.58 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. Accordingly, Gross Sale of Products and Consumption of Raw Materials for the year are net of ₹ 17322.40 Lakhs. (2015: ₹ 412063.58 Lakhs).

**NOTE "21.1" - OTHER OPERATING REVENUES**

(₹ in Lakhs)

PARTICULARS	March 31, 2016	March 31, 2015
(1) Sale of Power	138.21	92.84
(2) Unclaimed liabilities/provisions written back	395.56	709.22
(3) Recoveries from Employees	110.99	90.72
(4) Sale of Scrap	843.18	1012.74
(5) Commission Income/Bad debts recovered	115.54	97.20
<b>TOTAL</b>	<b>1603.48</b>	<b>2002.72</b>

**NOTE "22" - OTHER INCOME**

(₹ in Lakhs)

PARTICULARS	NOTE	March 31, 2016	March 31, 2015
(1) Interest on :			
a) Loans and Advances		272.26	213.38
b) Short Term Deposits with Banks		159.68	105.68
c) Customer Outstandings		540.69	698.34
d) Others	(i)	540.27	1589.47
		<b>1512.90</b>	<b>2606.87</b>
(2) Profit on sale and disposal of Assets		726.26	6.56
(3) Other Non Operating Income	(ii) & (iii)	1033.07	489.18
<b>TOTAL</b>		<b>3272.23</b>	<b>3102.61</b>

(i) Includes interest on Income Tax refunds - Nil (2015: ₹ 805.83 Lakhs)

(ii) Includes income from Petroleum India International (Non Current Trade Investments) ₹ 78.55 Lakhs (2015: ₹ 60.36 Lakhs)

(iii) During December 2015, due to severe floods in Chennai, there was damage to the Company's Plant &amp; Machinery and Stores &amp; spares. The Company had filed an insurance claim for an estimated amount of ₹ 1605.45 Lakhs (replacement cost) after considering deductibles. Pending settlement of the claim, the Company has received an "On Account payment" of ₹ 337.5 Lakhs from the insurance company which has been disclosed under "Other income".

**NOTE "23" - COST OF MATERIALS CONSUMED**

(₹ in Lakhs)

PARTICULARS	NOTE	March 31, 2016	March 31, 2015
Raw Materials Consumed :			
Opening Balance		195544.22	353851.06
Add : Purchases	(i)	2253764.63	3786533.71
		<b>2449308.85</b>	<b>4140384.77</b>
Less: Closing Stock		156168.91	195544.22
<b>TOTAL</b>	(ii)	<b>2293139.94</b>	<b>3944840.55</b>

(i) Refer Note 21 (i) - Revenue from Operations.

(ii) Refer Note 33 - Consumption particulars of Raw Materials.





## NOTE "24" - CHANGES IN INVENTORY

(₹ in Lakhs)

PARTICULARS	March 31, 2016	March 31, 2015
<b>Closing Stock</b>		
a) Finished Products	115668.99	118685.88
b) Stock in Process	28627.94	47469.19
	<b>144296.93</b>	<b>166155.07</b>
<b>Less:</b>		
<b>Opening Stock</b>		
a) Finished Products	118685.88	217590.92
b) Stock in Process	47469.19	79878.26
	<b>166155.07</b>	<b>297469.18</b>
<b>NET INCREASE/(DECREASE)</b>	<b>(21858.14)</b>	<b>(131314.11)</b>

## NOTE " 25 " - EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

PARTICULARS	NOTE	March 31, 2016	March 31, 2015
(1) <b>Employee Benefit Expenses:</b>	(i)		
a) Salaries, Wages, Bonus etc		<b>28636.68</b>	25880.90
b) Contribution to Provident & Other Funds		<b>4916.45</b>	3215.62
c) Staff Welfare Expenses		<b>2899.57</b>	5660.57
<b>TOTAL</b>	(ii)	<b>36452.70</b>	<b>34757.09</b>

(i) Disclosure in compliance with Accounting Standard-15 (Revised) on "Employee Benefits" is given in Note 29. (Annexure I)

(ii) Includes Remuneration paid/payable to Key Management Personnel (KMP) as given below:

(₹ in Lakhs)

PARTICULARS	March 31, 2016	March 31, 2015
a) Salaries and Allowances	<b>110.49</b>	88.33
b) Contribution to Provident Fund/Superannuation Fund, etc	<b>21.65</b>	15.02
c) Other benefits and perquisites	<b>1.87</b>	2.51
<b>TOTAL</b>	<b>134.01</b>	<b>105.86</b>

## NOTE "26" - FINANCE COST

(₹ in Lakhs)

PARTICULARS	March 31, 2016	March 31, 2015
(1) Interest Expense on:		
a) Fixed period loans from Banks/Financial Institutions/ Others	-	791.68
b) Debentures	9440.27	15987.71
c) Short Term loans from Banks/Financial Institutions/ Others	15031.97	17698.89
d) Others	251.84	94.05
	<b>24724.08</b>	<b>34572.33</b>
(2) Other Borrowing Cost	<b>109.43</b>	38.17
(3) Applicable net (gain)/loss on foreign currency transactions and translation	<b>6143.05</b>	5820.45
<b>TOTAL</b>	<b>30976.56</b>	<b>40432.95</b>

**NOTE " 27 " - OTHER EXPENSES**

(₹ in Lakhs)

PARTICULARS	NOTE	March 31, 2016	March 31, 2015
(1) Consumption:			
a) Stores, Spares and Consumables		6378.49	7993.31
b) Packages & Drum Sheets		306.59	392.88
		<b>6685.08</b>	8386.19
(2) Power, Water & Fuel		194971.83	341080.34
Less : Fuel from own production		189543.16	334709.60
Purchased Power & Water		<b>5428.67</b>	6370.74
(3) Irrecoverable taxes - Central Sales Tax		<b>12984.70</b>	22907.37
(4) Repairs and Maintenance			
i) Plant & Machinery		18597.10	10624.02
ii) Buildings		309.74	277.99
iii) Others		3435.16	3650.09
		<b>22342.00</b>	14552.10
(5) Freight, Transportation Charges and Demurrage		<b>10736.30</b>	3647.01
(6) Office Administration, Selling and Other Expenses (Note "27.1")		<b>35567.69</b>	30602.05
<b>TOTAL</b>		<b>93744.44</b>	86465.46
Less: Company's use of own Products for Projects		<b>76.32</b>	-
		<b>93668.12</b>	86465.46
(7) Excise Duty		916000.18	604295.58
Less: Excise Duty on Transfer of Products		900946.82	606211.37
Excise Duty (Net)	(i)	<b>15053.36</b>	(1915.79)
<b>TOTAL</b>		<b>108721.48</b>	84549.67

- (i) Includes an amount of ₹ 14542.10 lakhs (2015 : ₹ 233.26 lakhs) on account of difference of excise duty between Opening and Closing stock of finished goods.



## NOTE "27.1" - OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES

(₹ in Lakhs)

PARTICULARS	NOTE	March 31, 2016	March 31, 2015
(1) Rent		2241.10	1949.98
(2) Insurance		2218.15	2542.58
(3) Rates & Taxes		436.87	459.90
(4) Payment to auditors			
a) Audit Fees		20.25	16.25
b) Limited Review Fees		4.50	4.50
c) Tax Audit Fees		5.06	4.80
d) Other Services		1.45	1.40
		31.26	26.95
(5) Travelling & Conveyance		2581.34	1919.47
(6) Communication Expenses		237.85	204.18
(7) Printing & Stationery		90.06	89.67
(8) Electricity & Water		102.42	62.26
(9) Bank Charges		127.25	109.11
(10) Bad Debts, Advances & Claims written off		178.99	-
(11) Loss on Assets Sold /Discarded		72.10	200.61
(12) Technical Assistance Fees		573.42	613.23
(13) Exchange Fluctuation (net)		16691.46	14582.58
(14) Provision for			
a) Doubtful Debts, Advances, Claims		-	116.60
b) Capital Work in Progress		1070.14	-
c) Stores, Spares and Consumables,Others etc.,		391.71	565.93
		1461.85	682.53
(15) Security Force Expenses		2237.40	1927.82
(16) Terminalling & Handling Charges		2464.46	3020.98
(17) Amortisation of Premium on Forward Contracts		968.26	151.65
(18) Royalty expenses		379.85	325.21
(19) Commission		68.93	56.87
(20) Miscellaneous Expenses	(i)	2404.67	1676.47
<b>TOTAL</b>		<b>35567.69</b>	<b>30602.05</b>

(i) Refer Sl No.12 in Note 29 (Annexure -II)

## NOTE " 28 " - INCOME / EXPENSES RELATING TO PREVIOUS YEARS

(₹ in Lakhs)

PARTICULARS	March 31, 2016	March 31, 2015
Income:	-	-
<b>Total Income</b>	-	-
Expenditure:		
(1) Loss on Assets Discarded	-	392.14
(2) Technical fees	-	54.00
<b>Total Expenses</b>	-	446.14
<b>NET INCOME /(EXPENDITURE)</b>	-	(446.14)

## NOTE 29

### 1. Contingent Liabilities:

a) Claims against the company not acknowledged as debts ₹ 63475.56 lakhs (2015: ₹ 39209.11 lakhs). These mainly include:

- i) ₹ 543.95 lakhs (2015: ₹ 664.94 lakhs) in respect of Central Excise.
  - ii) ₹ 48640.94 lakhs (2015: ₹ 27133.98 lakhs) in respect of Sales Tax.
  - iii) ₹ 9735.75 lakhs (2015: ₹ 7396.92 lakhs) in respect of Income Tax.
  - iv) ₹ 2219.59 lakhs (2015: ₹ 1713.94 lakhs) relating to projects.
- b) Interest/Penalty, if any, unascertainable, on the above claims is not considered.
- c) Estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹ 154629.41 lakhs (2015: ₹ 249505.68 lakhs).

The above includes proportionate share of contingent liabilities and capital commitments of ₹ 445.88 lakhs (2015: ₹ 539.52 lakhs) and ₹ 49.68 lakhs (2015: ₹ 50.66 lakhs) respectively relating to jointly controlled entity.

2. Thirty four acres and forty nine cents of land has been taken on lease from a trust on a five-year renewable lease for the construction of Employees Township at Cauvery Basin Refinery.
3. Sixteen acres and twenty six cents and twenty acres of land of the company are in the possession of IOT Infrastructure & Energy Services Limited and CPCL Educational Trust respectively under lease agreement for a period of 12 years and 50 years respectively.
4. (a) The cost of land includes provisional payments towards cost, compensation, and other accounts for which detailed accounts are yet to be received from the authorities concerned.  
(b) The company has valid title for all immovable properties. However, in respect of 186.86 acres of Land allotted by Government of Tamil Nadu (classified as Poramboke) Assignment deed is yet to be received. Out of this, value is to be determined by Government of Tamilnadu in respect of 135.93 acres.  
(c) Pending decision of the Government/Court, additional compensation, if any, payable to the landowners and the Government for certain lands acquired is not quantifiable, and hence not considered.

### 5. 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 7.3 in Note – 1 – “Statement of Significant Accounting Policies”).

6. In view of Componentisation of fixed assets, expenses on replacement of significant catalyst, hitherto charged to statement of Profit and Loss, have been identified and capitalised as component. This has resulted in decrease in expenditure and increase in profit before tax during the year by ₹ 2165.90 lakhs. Accordingly, net tangible assets is higher by the like amount.
7. The Company has export obligation of ₹ 31897.36 lakhs (2015: ₹ 517.96 Lakhs) on account of concessional rate of customs duty availed under EPCG scheme on import of capital goods/Advance License scheme on import of crude oil.
8. The company operates in a single segment viz. downstream petroleum sector. As such reporting is done on a single segment basis.
9. Foreign currency exposures (liability) as on 31.03.2016 is ₹ 274253.14 Lakhs (2015: ₹ 393497.69 Lakhs). Foreign currency exposures (receivable) as on 31.03.2016 is ₹ 225.33 Lakhs (2015: ₹ 54.22 Lakhs). The company has entered into 135 (2015: four) forward contract transactions during the year for hedging purposes out of which 4 Forward contracts of ₹ 44328.29 Lakhs (2015: Nil) remained outstanding as on 31<sup>st</sup> March 2016.
10. Disclosure as required under Accounting Standard – 15 (Revised) on “Employee Benefits” is provided in Annexure – I to this Note.
11. In compliance with Accounting Standard – 18 on “Related Party Disclosures”, the required information is given in Annexure – II to this Note.
12. Disclosure as required under Accounting Standard – 19 on “Leases” is as under:

#### Operating Leases:

Lease rentals charged in the Statement of Profit and Loss is as follows :

(₹ in Lakhs)

PARTICULARS	2015 - 16	2014 - 15
Lease rentals recognised during the year	355.26	465.32
Lease obligation - not later than one year	394.84	544.68
Lease obligation - later than one year and not later than five years	1579.36	2178.72



13. In compliance with Accounting Standard – 20 on “Earnings Per Share”, the elements considered for calculation of Earnings Per Share (Basic and Diluted) are as under:

PARTICULARS	2015 - 16	2014 - 15
Profit / (Loss) After Tax (₹ in Lakhs)	79030.12	(3325.40)
<b>Less :</b> Preference Share Dividend and Dividend distribution tax (₹ in Lakhs)	<b>(4154.97)</b>	-
Profit / (Loss) After Tax available for Equity shareholders (₹ in Lakhs) <b>(A)</b>	<b>74875.15</b>	-
Weighted Average number of equity shares <b>(B)</b>	<b>148911400</b>	148911400
Earnings Per Share (Basic and Diluted) (₹) <b>(A) / (B)</b>	<b>50.28</b>	(2.23)
Face value per share (₹)	<b>10</b>	10

14. Current tax for the financial year 2015-16 has been provided based on legal opinion.

15. Disclosure as required under Accounting Standard – 27 on “Financial Reporting of Interests in Joint Ventures” is as under:

- a) Name of the Joint Venture Indian Additives Ltd.  
Proportion of ownership interest 50%  
Country of Incorporation India  
Aggregate amount of interest in Joint Venture

(₹ in Lakhs)

Company's share of	2015 - 16 #	2014 - 15 #
Assets	<b>16459.31</b>	<b>13272.46</b>
- Long Term Assets	3288.62	2963.85
- Current Assets	13170.69	10308.61
Liabilities	<b>5233.45</b>	<b>3889.38</b>
- Current Liabilities and Provisions	3837.28	2852.46
- Other Liabilities	1396.17	1036.93
Income	29254.15	26311.38
Expenditure	24914.13	24216.06
Contingent Liabilities	445.88	539.52
Capital Commitments	49.68	74.59

# Audited

- b) Name of the Joint Venture National Aromatics and Petrochemicals Corporation Ltd  
Proportion of ownership interest 50%  
Country of Incorporation India  
Consolidation in respect of financials of JV company National Aromatics and Petrochemicals Corporation Ltd has not been incorporated in the preparation of Consolidated Financial Statements in view of the following :
- i) The investments have been fully provided for diminution in value  
ii) JV is not operational  
iii) The company has decided to exit from the JV and the process in this regard is already initiated.  
In the opinion of the company, the non consolidation of financial of the JV will not have material impact on the consolidated financial results of the company.

16. During the year, the company has undertaken a review of all fixed assets in line with the requirements of AS- 28 on “Impairment of Assets”. Based on such review, no provision for impairment is required to be recognised for the year.

17. In Compliance of Accounting Standard – 29 on “Provisions, Contingent Liabilities & Contingent Assets”, the required information on each class of contingent liability is as under :

(₹ in Lakhs)

PARTICULARS	OPENING BALANCE	ADDITIONS DURING THE YEAR	REVERSAL DURING THE YEAR	CLOSING BALANCE
Sales Tax	27133.98	21701.59	194.62	48640.94
Central Excise	664.94	25.62	146.61	543.95
Income Tax	7396.92	2354.12	15.29	9735.75
Others	4013.28	541.64		4554.92
<b>Total</b>	<b>39209.11</b>	<b>24622.97</b>	<b>356.52</b>	<b>63475.56</b>

18. Previous year's comparative figures have been regrouped and recast, wherever necessary, to the extent practicable, for uniformity in presentation.

**19 : RESEARCH AND DEVELOPMENT EXPENDITURE**

Research and Development Expenses of ₹ 28.69 Lakhs (2015: ₹ 23.73 Lakhs) have been capitalized and ₹ 668.64 Lakhs (2015 : ₹ 625.03 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 (TANGIBLE ASSETS)**

( ₹ in Lakhs)

	Asset Block	Gross Block as on 01.04.2015	Additions during the year	Transfer/ Deduction/ Disposal during the year	Gross on Block as at 31.03.2016	Work-in-Progress as on 01.04.2015	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as on 31.03.2016	Total Capital Expenditure
1	2	3	4	5	6 = (3+4-5)	7	8	9	10 = (7+8-9)	11 = (4+10-7)
	<b>TANGIBLE ASSETS</b>									
1	Plant & Equipment	2371.09	25.95		2397.04	-	-	-	-	25.95
2	Office Equipment	39.59	2.74		42.33	-	-	-	-	2.74
3	Furniture & Fixtures	3.18	-		3.18	-	-	-	-	-
	<b>TOTAL :</b>	<b>2413.86</b>	<b>28.69</b>	<b>-</b>	<b>2442.55</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28.69</b>
	Previous year :	2390.13	23.73	-	2413.86	-	-	-	-	23.73

**B. RECURRING EXPENSES**

		2015-16	2014-15
1	Consumption of Stores, Spares & Consumables	54.35	53.87
2	Repairs & Maintenance	13.35	18.79
3	Employee benefit expense	329.50	253.73
4	Depreciation and other expenses	271.44	298.64
	<b>TOTAL :</b>	<b>668.64</b>	<b>625.03</b>

**C. TOTAL RESEARCH EXPENSES**

		2015-16	2014-15
1	Capital Expenditure	28.69	23.73
2	Recurring Expenditure	668.64	625.03
	<b>TOTAL</b>	<b>697.33</b>	<b>648.76</b>



## Annexure – I

### Disclosure requirements under AS – 15 (Revised) as per Serial No: 10

#### Defined Contribution Schemes:

##### (a) Provident Fund

- (i) During the year, the company has recognised ₹ 1666.24 Lakhs (2015: ₹ 1603.74 Lakhs) as Employer's contribution to Provident Fund in the Statement of Profit and Loss (included in 'Contribution to Provident & Other Funds' in Note 25)
- (ii) In addition, during the year, the company has recognised ₹ 237.93 Lakhs (2015 : ₹ 189.04 Lakhs) as contribution to EPS-95 in the Statement of Profit and Loss (included in 'Contribution to Provident & Other Funds' in Note 25)

##### (b) Pension Scheme

During the year, the company has recognised ₹ 2129.32 Lakhs (2015: ₹ 525.98 Lakhs) towards Defined Contributory Employees' Pension Scheme in the Statement of Profit and Loss (included in 'Contribution to Provident & Other Funds' in Note 25)

#### Defined Benefits Plans: General Description

##### Gratuity:

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the monthly emoluments for every completed year of service subject to a maximum of ₹ 10 Lakhs at the time of separation from the company.

##### 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 upto 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.

##### PRMS

Post Retirement Medical Scheme (PRMS) provides medical benefit to retired employees and eligible dependant family members.

##### Long Service Award:

The long service award scheme, under which the employees were rewarded with gold coins based on duration of completed service, has been discontinued based on the advice of MoP&NG. Pending the finalization of alternate scheme, the company has continued actuarial liability as on 31.03.2015. No additional liability has been provided.

#### Defined Benefit Schemes:

(₹ in Lakhs)

NET EMPLOYEE BENEFIT EXPENSE	UNFUNDED SCHEMES				FUNDED SCHEME	
	POST RETIREMENT MEDICAL BENEFITS		LEAVE ENCASHMENT		GRATUITY	
	2016	2015	2016	2015	2016	2015
Current Service Cost	83.94	58.24	408.16	321.08	62.08	65.64
Interest cost on benefit obligation	329.15	268.02	544.75	598.80	590.34	585.13
Expected (return) / loss on plan assets	-	-	-	-	(525.12)	(541.11)
Net actuarial (gain)/loss recognized in the year	523.96	684.00	679.44	2091.62	(355.11)	784.55
Net (Benefit) / Expense	937.05	1010.26	1632.35	3011.49	(227.81)	894.21

(₹ in Lakhs)

CHANGES IN PRESENT VALUE OF DEFINED BENEFIT OBLIGATION	UNFUNDED SCHEMES				FUNDED SCHEME	
	POST RETIREMENT MEDICAL BENEFITS		LEAVE ENCASHMENT		GRATUITY	
	2016	2015	2016	2015	2016	2015
Opening defined benefit obligation	4339.70	3542.80	8856.55	7317.11	7478.74	6433.55
Interest Cost	329.15	268.02	544.75	598.80	590.35	585.13
Current service cost	83.94	58.24	408.16	321.08	62.08	65.64
Benefits paid	(239.76)	(213.36)	(3745.26)	(1472.04)	(363.54)	(414.31)
Net actuarial (gain) / loss on obligation	523.96	684.00	679.44	2091.62	(85.40)	808.73
Closing defined benefit obligation	5036.99	4339.70	6743.65	8856.55	7682.23	7478.74

1% increase in cost of post retirement medical benefits will increase the liability by ₹ 233.16 Lakhs (2015: ₹ 318.44 Lakhs). 1% decrease in cost will decrease the liability by ₹ 191.81 Lakhs (2015: ₹ 265.27 Lakhs)

**FUNDED SCHEME:**

(₹ In lakhs)

CHANGE IN FAIR VALUE OF PLAN ASSETS	GRATUITY	
	2016	2015
Opening Fair value of plan assets	6620.51	6351.96
Expected return	525.12	541.11
Contributions	858.20	112.38
Contributions towards Direct Benefit Payments	2.18	5.18
Benefits paid	(361.36)	(409.13)
Direct Benefit Payments	(2.18)	(5.18)
Actuarial gain /(loss)	269.71	24.18
Closing Fair value of plan assets	7912.19	6620.51
Investment details	Insurer Managed funds –100%	

**FUNDED SCHEME:**

(₹ In lakhs)

BALANCE SHEET	GRATUITY	
	2016	2015
Defined benefit obligation	7682.23	7478.74
Fair value of plan assets	7912.19	6620.51
Plan asset / (liability)	229.96	(858.23)

**FUNDED SCHEME:**

ACTUARIAL ASSUMPTIONS	GRATUITY	
	2016	2015
Discount Rate (per annum)	7.9%	7.8%
Rate of escalation in salary (per annum)	8%	8%
Mortality table	Indian Assured Lives 2006-08	
Attrition rate	2%	2%
Expected rate of return on plan assets (per annum)	7.9%	7.8%

**UNFUNDED SCHEMES:**

ACTUARIAL ASSUMPTIONS	POST RETIREMENT MEDICAL BENEFITS		LEAVE ENCASHMENT	
	2016	2015	2016	2015
Mortality table (before Retirement)	Indian Assured Lives 2006-08			
Discount Rate (per annum)	7.9%	7.8%	7.9%	7.8%
Inflation Rate / Salary Escalation (per annum)	7%	7%	8%	8%





## ANNEXURE - II

### DISCLOSURE REQUIREMENTS UNDER AS - 18 AS PER SERIAL NO: 11

(₹ in Lakhs)

Sl. No.	DETAILS OF TRANSACTIONS	KEY MANAGEMENT PERSONNEL		JOINT VENTURES		ENTITY OVER WHICH KMP EXERCISE SIGNIFICANT INFLUENCE		TOTAL	
		2016	2015	2016	2015	2016	2015	2016	2015
1.	Remuneration / Other Benefits & entitlements	134.01	105.86	-	-	-	-	134.01	105.86
2.	Dividend Received	-	-	591.70	591.70	-	-	591.70	591.70
3.	Outstanding Loans/ advances receivables	10.32	10.87	-	-	29.79	27.29	40.11	38.16
4.	Claims Recoverable	-	-	1440.36	1440.36	-	-	1440.36	1440.36
5.	Provisions for Doubtful Claims	-	-	1440.36	1440.36	-	-	1440.36	1440.36
6.	Assets on Hire	25.72	16.67	-	-	-	-	25.72	16.67
7.	Trade payable	-	-	-	-	21.25	24.50	21.25	24.50
8.	Trade receivable	-	-	485.56	401.10	-	-	485.56	401.10
9	Sale of Products (Gross)	-	-	4506.45	6203.83	-	-	4506.45	6203.83
10.	Other Miscellaneous Income (pipeline charges)	-	-	46.51	40.30	-	-	46.51	40.30
11	Interest income	-	-	-	-	2.50	2.29	2.50	2.29
12	Other expenses	-	-	-	-	67.07	95.37	67.07	95.37

- a) The remuneration/other benefits & entitlements to KMP stated above does not include the impact of provision made on actuarial valuation of retirement/post retirement benefit schemes as the same are not ascertainable separately.
- b) Sl No 2, 8, 9 & 10 represents transactions with Joint Venture Company – Indian Additives Limited.

#### Key Management Personnel (KMP)

##### Whole-time Directors

- 1) Mr Gautam Roy
- 2) Mr S. Venkataramana
- 3) Mr S. Krishna Prasad
- 4) Mr. U. Venkata Ramana

##### Company Secretary

Mr. P. Shankar

##### Joint Venture Companies

- 1) Indian Additives Limited
- 2) National Aromatics and Petrochemicals Corporation Limited.

##### Entity over which KMP exercise significant influence

- 1) CPCL Educational Trust

**NOTE "30" - SALES**

(₹ in Lakhs)

PARTICULARS	FY 2015 - 16	FY 2014 - 15
- Petroleum Products	3531330.94	4820756.36
<b>Total Sales (Before discount)</b>	<b>3531330.94</b>	<b>4820756.36</b>

**NOTE "31" - PURCHASE OF STOCK-IN-TRADE**

(₹ in Lakhs)

PARTICULARS	FY 2015 - 16	FY 2014 - 15
- Petroleum Products	31125.71	29368.54
<b>Total Sales (Before discount)</b>	<b>31125.71</b>	<b>29368.54</b>

**NOTE "32" - WIP**

(₹ in Lakhs)

PARTICULARS	FY 2015 - 16	FY 2014 - 15
<b>- Petroleum Products</b>		
- Year ended 31.03.16	28627.94	-
- Year ended 31.03.15	47469.19	47469.19
- Year ended 31.03.14	-	79878.26

**NOTE "33"- CONSUMPTION OF RAW MATERIALS, SPARE-PARTS AND COMPONENTS**

PARTICULARS	Imported		Indigenous		Total
	Value (₹ in Lakhs)	% to total Consumption	Value (₹ in Lakhs)	% to total Consumption	Value (₹ in Lakhs)
<b><u>Year ended 31.03.2016</u></b>					
<b>Crude Oil</b>	<b>1711699.43</b>	<b>75.38</b>	<b>558926.42</b>	<b>24.62</b>	<b>2270625.85</b>
- Base Oil	-	-	3501.47	100.00	3501.47
- NG / RLNG	-	-	4778.21	100.00	4778.21
- Other Raw Materials	10282.04	72.23	3952.37	27.77	14234.40
- Stores & Spares	180.17	2.82	6198.32	97.18	6378.49
- Packing Materials	-	-	306.59	100.00	306.59
- Components (booked under repairs and maintenance)	158.14	2.06	7525.35	97.94	7683.49
<b><u>Year ended 31.03.2015</u></b>					
- Crude Oil	3375419.00	86.07	546209.51	13.93	3921628.51
- Base Oil	-	-	5137.31	100.00	5137.31
- NG / RLNG	-	-	3588.13	100.00	3588.13
- Other Raw Materials	9229.63	63.71	5256.97	36.29	14486.60
- Stores & Spares	1665.85	20.84	6327.47	79.16	7993.32
- Packing Materials	-	-	392.88	100.00	392.88
- Components (booked under repairs and maintenance)	1508.80	31.72	3248.24	68.28	4757.04



**NOTE "34" - EXPENDITURE IN FOREIGN CURRENCY**

(₹ in Lakhs)

<b>PARTICULARS</b>	<b>FY 2015 - 16</b>	<b>FY 2014 - 15</b>
- Royalty	<b>379.85</b>	325.21
- Professional, Consultation Fees and Technical Service Fees	<b>548.09</b>	741.92
- Interest	<b>6978.81</b>	7145.38
- Others	<b>195.67</b>	260.17
<b>Total</b>	<b>8102.42</b>	8472.67

Expenditure in Foreign Currency has been considered on accrual basis.

**NOTE "35" - EARNINGS IN FOREIGN CURRENCY**

(₹ in Lakhs)

<b>PARTICULARS</b>	<b>FY 2015 - 16</b>	<b>FY 2014 - 15</b>
- Exports	<b>422.58</b>	167.46
- Others	<b>115.54</b>	79.72
<b>Total</b>	<b>538.12</b>	247.18

**NOTE "36" - CIF VALUE OF IMPORTS**

(₹ in Lakhs)

<b>PARTICULARS</b>	<b>FY 2015 - 16</b>	<b>FY 2014 - 15</b>
- Crude Oil	<b>1727372.00</b>	4007911.00
- Additives	<b>10301.95</b>	10256.87
- Capital Goods	<b>4143.86</b>	332.23
- Other Raw Materials	<b>29.43</b>	349.30
- Revenue Stores, Component, Spare and Chemicals	<b>6137.33</b>	2020.34
<b>Total</b>	<b>1747984.58</b>	4020869.75

Expenditure in Foreign Currency has been considered on accrual basis.

**NOTE - "37" - 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

**Par "B" : Associates and Joint Ventures**

(₹ in Lakhs)

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures (FORM AOC - I)**

Sl No.	Name of the Associates / Joint Ventures	Indian Additives Limited
1	Latest Audited Balance Sheet Date	31.03.2016
2	Shares of Associate / Joint ventures held by the company on the year end	
	i) No.	1183401
	ii) Amount of Investment in Associates / Joint Ventures	1183.40
	iii) Extent of Holding	50%
3	Description of how there is significant influence	Joint control
4	Reason why the associate / Joint ventures is not consolidated	Consolidated
5	Networth attributable to shareholding as per latest audited balance sheet	10634.17
6	Profit / (Loss) for the year	
	i) Considered in Consolidation	2553.48
	ii) Not Considered in consolidation	2556.38

Consolidation in respect of financials of JV company National Aromatics and Petrochemicals Corporation Ltd has not been incorporated in the preparation of Consolidated Financial Statements in view of the following :

i) The investments have been fully provided for diminution in value

ii) JV is not operational

iii) The company has decided to exit from the JV and the process in this regard is already initiated.

In the opinion of the company, the non consolidation of financial of the JV will not have material impact on the consolidated financial results of the company.

(Gautam Roy)  
Managing Director

(S. Krishna Prasad)  
Director (Finance)  
As per our Report of even date

(P.Shankar)  
Company Secretary

**For R. SUBRAMANIAN AND COMPANY**

Chartered Accountants  
FRN: 004137S

**R. Rajaram**

Partner  
Membership No. 025210

Place : Chennai

Date : May 23, 2016

**For S. VISWANATHAN LLP**

Chartered Accountants  
FRN: 004770S / S200025

**V C Krishnan**

Partner  
Membership No. 022167



**NOTE - "38" - ADDITIONAL INFORMATION FOR CONSOLIDATED FINANCIAL STATEMENTS  
AS PER SCHEDULE III TO COMPANIES ACT 2013.**

(₹ in Lakhs)

Name of the Entity	Net Assets		Share in Profit/(loss)	
	As % of consolidated net assests	Amount	As % of consolidated Profit or Loss	Amount
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Chennai Petroleum Corporation Limited</b>	96.88	329667.38	96.77	76476.65
<b><u>Subsidiaries</u></b>				
Not Applicable				
<b><u>Joint Ventures</u></b>				
<b><u>Indian</u></b>				
Indian Additives Limited	3.12	10634.17	3.23	2554.93
Less:				
Intra ccompany adjustment	0.00	-12.33	0.00	-1.46
<b>Total</b>	<b>100.00</b>	<b>340289.22</b>	<b>100.00</b>	<b>79030.12</b>

Consolidation in respect of financials of JV company National Aromatics and Petrochemicals Corporation Ltd has not been incorporated in the preparation of Consolidated Financial Statements in view of the following :

- i) The investments have been fully provided for diminution in value
- ii) JV is not operational
- iii) The company has decided to exit from the JV and the process in this regard is already initiated.

In the opinion of the company, the non consolidation of financial of the JV will not have material impact on the consolidated financial results of the company.





## *Comments of CAG*

### *Comments of the Comptroller and Auditor General of India*

<i>Standalone Financial Statements</i>	⇒	184
<i>Consolidated Financial Statements</i>	⇒	185

**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 2016**

The preparation of financial statements of **Chennai Petroleum Corporation Ltd. (CPCL)** for the year ended 31 March 2016 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 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 **23-05-2016**.

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 2016. 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 auditor's 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: 04.07.16





**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 2016**

The preparation of consolidated financial statements of **Chennai Petroleum Corporation Ltd. (CPCL)** for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 **23-05-2016**.

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 financial statements of **Chennai Petroleum Corporation Limited** for the year ended 31 March 2016. 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 being private entity for appointment of the Statutory Auditor nor for conduct of supplementary audit. Accordingly C&AG has neither appointed the Statutory Auditor nor conducted the supplementary audit of this company. 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 auditor's 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: 04.07.16





**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

<b>Regd. Folio No.</b>	
<b>Name of 1<sup>st</sup> Registered Holder</b>	
<b>Name of Joint Holder/s</b>	
<b>Registered Address</b>	
<b>E-mail ID to be registered (IN CAPITAL LETTERS)</b>	

**Date:**

**Signature .....**

**(First Holders)**

1. On registration, all the communications, including the Annual Reports, will be sent at the registered e-mail address aforesaid.
2. Shareholders are requested to keep the Company / its Share Transfer Agent / Depository Participant informed of any change in their e-mail address.





## Chennai Petroleum Corporation Limited

(A group company of IndianOil)

Regd. Office: 536, Anna Salai, Teynampet, Chennai 600 018.

Website: [www.cpcl.co.in](http://www.cpcl.co.in); Email id: [shankarp@cpcl.co.in](mailto:shankarp@cpcl.co.in)/ [sld@cpcl.co.in](mailto: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 e-mail id ..... or failing him
- 2) ..... of ..... having e-mail id ..... or failing him
- 3) ..... of ..... having e-mail id .....

and whose signature(s) are appended herewith as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 50<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, the 7<sup>th</sup> September 2016 at 3.00.p.m. at The Music Academy, New No. 168, T.T.K.Road, Royapettah. Chennai - 600 014 and at any adjournment thereof in respect of such resolutions as are indicated herewith:

[P.T.O.]



## Chennai Petroleum Corporation Limited

(A group company of IndianOil)

Regd. Office: 536, Anna Salai, Teynampet, Chennai 600 018.

Website: [www.cpcl.co.in](http://www.cpcl.co.in); Email id: [shankarp@cpcl.co.in](mailto:shankarp@cpcl.co.in)/ [sld@cpcl.co.in](mailto: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 50<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, the 7<sup>th</sup> September 2016 at 3.00.p.m. at The Music Academy, New No. 168, T.T.K.Road, Royapettah. Chennai - 600 014.

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.

SL No.	RESOLUTIONS
	<b>ORDINARY BUSINESSES:</b>
1	To receive, consider and adopt the Audited Financial Statement of the Company for the period from 1 <sup>st</sup> April 2015 to 31 <sup>st</sup> March 2016, together with the Director's Report and the Auditor's Report.
2	To declare dividend on Preference shares for the year 2015-16
3	To declare dividend on Equity Shares for the year 2015-16
4	To appoint a Director in place of Mr.B.Ashok (DIN : 06861345) who retires by rotation and being eligible, offers himself for reappointment.
5	To appoint a Director in place of Mr U.Venkata Ramana (DIN : 07029234), who retires by rotation and being eligible, offers himself for reappointment.
	<b>SPECIAL BUSINESSES:</b>
6	Appointment of Mr.K.M.Mahesh (DIN : 07402110) as a Director
7	Ratification of remuneration of Cost Auditor for the year 2016-17
8	Taking note of improvement in Networth of the Company

Signed this ..... day of ..... 2016.

.....  
Signature of Member

AFFIX  
REVENUE  
STAMP

.....  
Signature of the first proxy holder      Signature of the second proxy holder      Signature of the third proxy holder

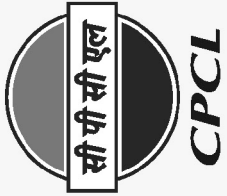
**Note: This Proxy Form duly filled in must be deposited at the Registered Office of the Company at 536, Anna Salai, Teynampet, Chennai – 600018 not less than 48 hours before the commencement of the Annual General Meeting.**



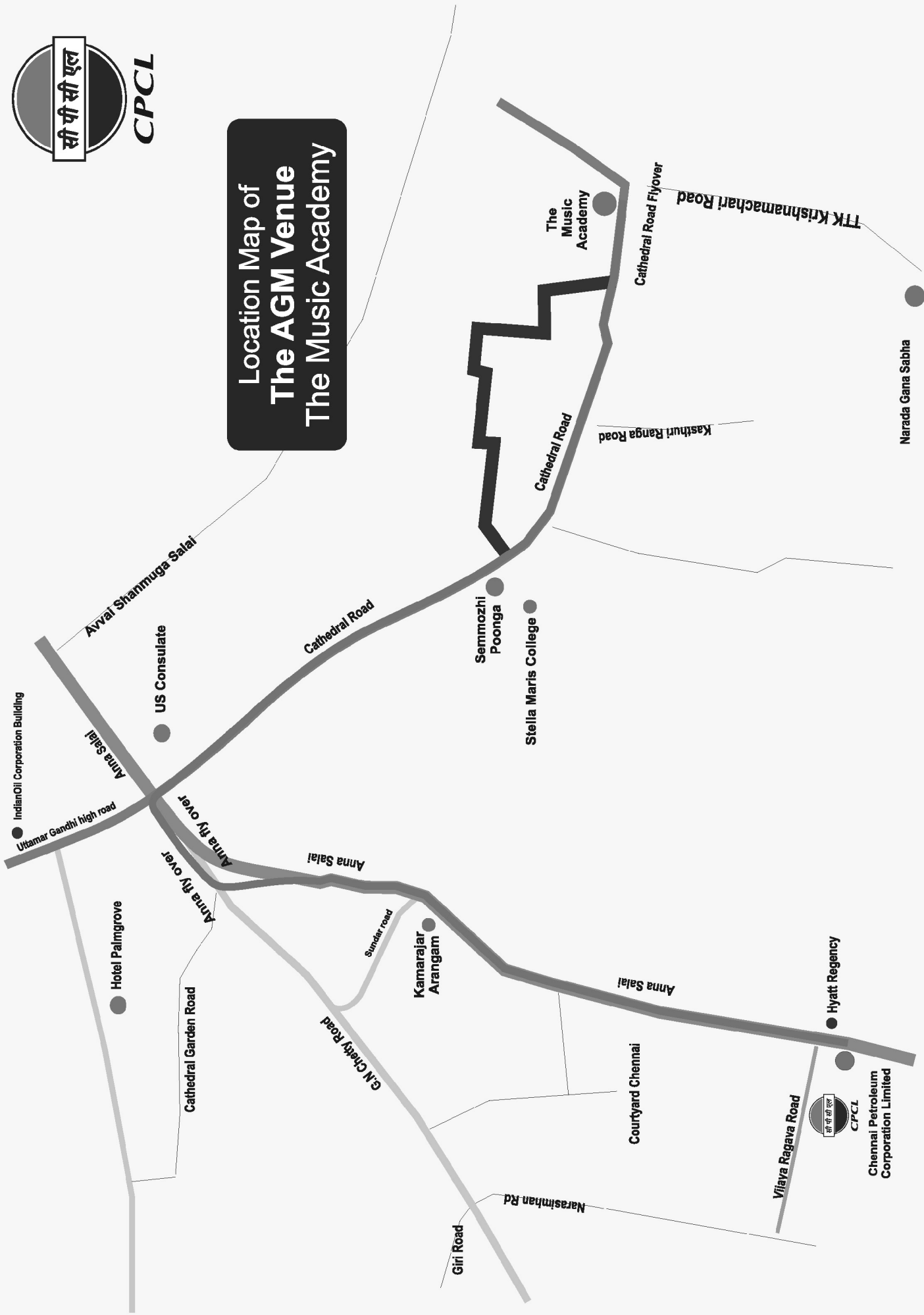


## NOTES

[illegible]



Location Map of  
The AGM Venue  
The Music Academy







Shri Dharmendra Pradhan, Hon'ble Minister of State (Independent Charge) Ministry of Petroleum & Natural Gas, unveiling the Golden Jubilee Stupa.



Shri Dharmendra Pradhan, Hon'ble Minister of State (Independent Charge) Ministry of Petroleum & Natural Gas, addressing the gathering at Manali on 23.07.2016



CPCL contributed a sum of Rs.1,32,72,560/- to CM's Public Relief Fund on 29.12.2015



Mr. Sanjeev Singh, Director (Refineries), IOCL, visited CPCL's CBR on 08.08.2015 and reviewed the performance of CBR.



Chairman announcing the profitable Q1 results of 2015-16 at a press conference in Chennai on 10.08.2015.



Chairman reviewing the progress of the Resid Upgradation project during his visit to Manali Refinery on 30.05.2015.



Swachh Bharat Activity by Employees of CPCL at Manali



Chairman addressing the employees at CBR



चेन्नै पेट्रोलियम कॉर्पोरेशन लिमिटेड  
(इंडियन ऑइल ग्रुप कंपनी)

**Chennai Petroleum Corporation Limited**

(A group company of IndianOil)

536, Anna Salai, Teynampet, Chennai-600 018

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