EXPANDING HORIZONS, ENABLING GROWTH

52nd ANNUAL REPORT 2017-18

सी पी सी एल

CPCL

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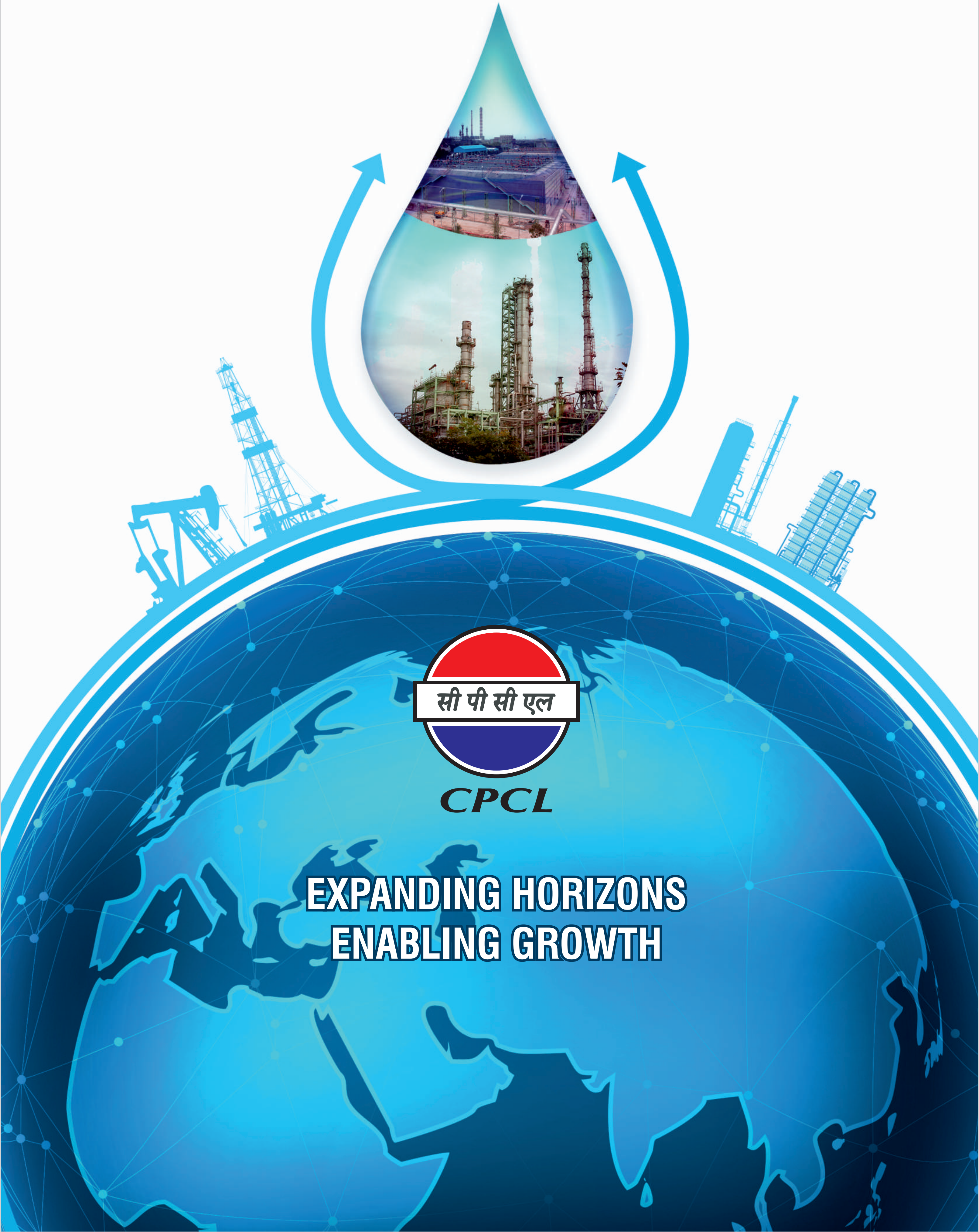
चेन्नै पेट्रोलियम कॉर्पोरेशन लिमिटेड

(इंडियनऑयल की ग्रूप कम्पनी)

Chennai Petroleum Corporation Limited

(A group company of IndianOil)


सी पी सी एल
CPCL
EXPANDING HORIZONS
ENABLING GROWTH

ANNUAL REPORT 2017-18

VISION

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

MISSION

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

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

To constantly innovate new products and alternate fuels

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

To ensure high standards of business ethics and corporate governance

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

CORPORATE INFORMATION

REGISTERED OFFICE AND OTHER DETAILS

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

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

   Cauvery Basin Refinery
   Panangudi Village, Nagapattinam District
   Tamil Nadu
   Phone: 04365-256700

3. Website : www.cpcl.co.in
   Email:sld@cpcl.co.in / shankarp@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
   Website: www.karvycomputershare.com

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

6. **PUBLIC INFORMATION OFFICER**
   Mr.C.K.Ravikumar,
   Deputy General Manager
   (Corporate Communications)
   Phone: 044-24340367

7. **COMPLIANCE OFFICER**
   Mr.P.Shankar
   Company Secretary
   Phone: 044-24346807

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

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

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

11. **STOCK EXCHANGES**
    BSE Ltd.,
    P.J.Towers, Dalal Street, Mumbai 400 001.
    Website: www.bseindia.com

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

Board of Directors

Mr. Sanjiv Singh
Chairman

Mr. S.N.Pandey
Managing Director

Mr. U.Venkata Ramana
Director (Technical)
(Upto 31.07.2018)

Mr. G.Aravindan
Director (Operations)

Mr.Rajeev Ailawadi
Director (Finance)

Mr. B.V.Rama Gopal
Director (Refineries)
Indian Oil Corporation Limited

Mrs.Perin Devi
Director
Ministry of Petroleum
& Natural Gas

Mr. Mrutunjay Sahoo
Independent Director

Dr.P.B.Lohiya
Independent Director

Mr. Mohammad Bagher Dakhili
Director,
Naftiran Intertrade Company Limited

Mr.Farzad Bahrami Bavani
Director
Naftiran Intertrade Company Limited

Executives

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

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

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

Mr. B. Panneerselvam
Chief General Manager (Operations)

Mr. P. Subrahmanyam
Chief General Manager (Corporate Planning)

Mr. Tarlana Kamaraju
Chief General Manager (Services)

Mr. M. Sankaranarayanan
Chief General Manager (Human Resources & Legal)

Mr. S. Krishnan
Chief General Manager (Maintenance)

Mr. K. Venkatesan
Chief General Manager (Technical)

Mr. P. Shankar
Company Secretary

TEN YEAR PROFILE

WHAT WE OWE AND WHAT WE OWN

(₹ in Lakhs)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
What We Owe										
Equity Share Capital	14900	14900	14900	14900	14900	14900	14900	14900	14900	14900
Reserves	291824	331308	361692	364414	187729	157345	150608	221243	316481	370749
Networth	**306724**	**346208**	**376592**	**379314**	**202629**	**172245**	**165508**	**236143**	**331381**	**385650**
Borrowings	154791	407789	422253	367234	590545	559962	539906	356685	450106	338890
Preference Share Capital	-	-	-	-	-	-	-	100000	100000	100000
Total Borrowings	**154791**	**407789**	**422253**	**367234**	**590545**	**559962**	**539906**	**456685**	**550106**	**438890**
Deferred Tax Liability	41400	57596	60447	63795	70710	70340	-	-	2425	20620
Total	**502915**	**811593**	**859292**	**810343**	**863884**	**802547**	**705414**	**692828**	**883912**	**845160**
What We Own										
Fixed Assets	516390	544473	624627	688592	805568	816566	817604	437899	445637	682871
Less: Depreciation	230557	253579	282792	318460	349837	388159	410568	26495	57854	93997
Fixed Assets (Net WDV)	**285833**	**290894**	**341835**	**370132**	**455731**	**428407**	**407036**	**411404**	**387783**	**588874**
Intangible Assets	2563	3792	4215	4754	4754	4862	4862	654	684	2804
Less: Amortisation	1212	1773	2470	3241	3701	4082	4218	110	184	325
Intangible Assets (Net WDV)	**1351**	**2019**	**1745**	**1513**	**1053**	**780**	**644**	**544**	**500**	**2479**
Capital WIP	71821	128074	115590	101945	17600	36448	83969	175292	284305	143878
Investments	2281	2343	2250	2363	2425	2482	2542	1194	1194	1194
Working Capital	141629	388263	397872	334390	387075	334430	211223	104394	210130	108735
Total	**502915**	**811593**	**859292**	**810343**	**863884**	**802547**	**705414**	**692828**	**883912**	**845160**

WHAT WE EARNED AND WHAT WE SPENT

(₹ in Lakhs)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
WHAT WE EARNED										
Income										
Turnover	3648967	2918384	3812826	4538491	4684246	5392370	4787782	3495341	4058590	4413481
Interest	1933	2285	2798	4435	1172	1393	2592	1597	1573	1952
Miscellaneous Receipts	3474	21224	8809	4111	2882	4445	2927	3760	4594	7291
Inventory Difference	(122443)	65799	44661	53739	20499	7211	(132081)	(20857)	(10503)	60670
Adjustment - Prior Years	877	-	(7)	(921)	(60)	1346	(446)	-	-	-
Sub-Total	**3532808**	**3007692**	**3869087**	**4599855**	**4708739**	**5406765**	**4660774**	**3479841**	**4054254**	**4483394**
WHAT WE SPENT										
Expenditure										
Raw Materials	2980350	2395053	3155635	3973042	4270888	4746943	3955805	2310691	2444196	2972814
Excise Duty	444877	425657	502594	463024	399573	458283	601011	912481	1291598	1166119
Manufacturing Expenses	24406	27353	21678	22335	29638	30583	27710	31016	31503	32119
Salaries & Benefits to Employees	19294	27232	24022	25321	31543	29186	33871	35700	51288	58176
Other Expenses	75109	23570	31913	70474	62537	79111	53631	51548	37844	41803
Interest	22366	13737	25446	24938	46876	56797	40373	35172	27278	32086
Depreciation and Amortisation	25717	26714	31447	36542	37453	38958	22612	27369	27863	34020
Impairment of Non Current Assets	-	-	-	-	-	-	-	-	6179	433
Sub-Total	**3592119**	**2939316**	**3792735**	**4615676**	**4878508**	**5439861**	**4735013**	**3403977**	**3917749**	**4337570**
Profit Before Tax	**(59311)**	**68376**	**76352**	**(15821)**	**(169769)**	**(33096)**	**(74239)**	**75864**	**136505**	**145824**

(₹ in Lakhs)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Provision for Taxation	(19583)	8054	25200	(22004)	6915	(2711)	(70340)	1677	33530	54531
Profit After Tax	**(39728)**	**60322**	**51152**	**6183**	**(176684)**	**(30385)**	**(3899)**	**74187**	**102975**	**91293**
Other Comprehensive Income	-	-	-	-	-	-	-	(157)	(568)	613
Total Comprehensive Income	**(39728)**	**60322**	**51152**	**6183**	**(176684)**	**(30385)**	**(3899)**	**74030**	**102407**	**91906**
Dividend	-	17869	17869	2978	-	-	-	5956	31271	27549
Dividend Distribution Tax	-	2968	2899	483	-	-	-	1213	6366	5608

FINANCIAL INDICATORS

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Debt Equity Ratio	0.50	1.18	1.12	0.97	2.91	3.25	3.26	1.93	1.66	1.14
Earnings per share (₹.)	(26.68)	40.51	34.35	4.15	(118.65)	(20.40)	(2.62)	49.82	69.15	61.31
Profit After Tax to Average Networth (%)	(12.16)	18.48	14.15	1.64	(60.72)	(16.21)	(2.31)	36.94	36.29	25.46
Dividend (%)	-	120	120	20	-	-	-	40	210	185
Dividend Payout (%)	-	29.62	34.93	48.17	-	-	-	8.03	30.37	30.18

Chennai Petroleum Corporation Limited
(A group company of IndianOil)
Regd. Office: 536, Anna Salai, Teynampet, Chennai 600 018.
Website: www.cpcl.co.in; Email id: shankarp@cpcl.co.in/ sld@cpcl.co.in
Tel: 044-24349833 / 24346807 Fax: 044-24341753
CIN: L40101TN1965GOI005389

NOTICE

Notice is hereby given that 52nd Annual General Meeting of the Shareholders of the Company will be held at 3.00 pm on Friday, the 24th August 2018 at Kamaraj Arangam, 492, Anna Salai, Chennai- 600006, to transact the following businesses:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Financial Statement of the Company (Standalone and Consolidated) for the period from 1st April 2017 to 31st March 2018, together with the Director's Report and the Auditor's Report.
2. To declare dividend on Preference shares for the year 2017-18
3. To declare dividend on Equity Shares for the year 2017-18
4. To appoint a Director in place of Mr Sanjiv Singh (DIN No: 05280701), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESSES:

5. APPOINTMENT OF MRS. PERIN DEVI (DIN 07145051)AS A DIRECTOR

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

   "RESOLVED that pursuant to the provisions of Companies Act 2013 read with Rules made thereunder including any statutory modifications or re-enactment thereof for the time being in force, Mrs. Perin Devi (DIN 07145051), who was appointed as an Additional Director by the Board of Directors effective 24.11.2017 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director of the Company liable to retire by rotation."

6. APPOINTMENT OF MR.G.ARAVINDAN, (DIN 07992886) AS A DIRECTOR

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

   "RESOLVED that pursuant to the provisions of Section 161(1) of the Companies Act 2013 read with Rules made thereunder including any statutory modifications or re-enactment thereof for the time being in force and the Articles of Association of the Company, Mr.G.Aravindan (DIN 07992886) who was appointed as an Additional Director and designated as Director(Operations) by the Board of Directors effective 30.01.2018 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director(Operations) of the Company liable to retire by rotation."

7. APPOINTMENT OF MR.S.N.PANDEY (DIN08062182) AS A DIRECTOR

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

   "RESOLVED that pursuant to the provisions of Section 161(1) of the Companies Act 2013 read with Rules made thereunder including any statutory modifications or re-enactment thereof for the time being in force and the Articles of Association of the Company, Mr.S.N.Pandey (DIN 08062182) who was appointed as an Additional Director and designated as Managing Director by the Board of Directors effective 01.02.2018 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as Managing Director of the Company not liable to retire by rotation."

8. APPOINTMENT OF SHRI.B.V.RAMA GOPAL (DIN 07551777) AS A DIRECTOR

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

   "RESOLVED that pursuant to the provisions of Companies Act 2013 read with Rules made thereunder including any statutory modifications or re-enactment thereof for the time being in force, Mr.B.V.Rama Gopal (DIN07551777), who was appointed as an Additional Director by the Board of Directors effective 05.04.2018 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director liable to retire by rotation."

9. APPOINTMENT OF MR.RAJEEV AILAWADI (DIN 07826722) AS A DIRECTOR

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

   "RESOLVED that pursuant to the provisions of Section 161(1) of the Companies Act 2013 read with Rules made thereunder including any statutory modifications or re-enactment thereof for the time being in force and the Articles of Association of the Company, Mr.Rajeev Ailawadi (DIN 07826722) who was appointed as an Additional Director and designated as Director(Finance) by the Board of Directors effective 08.05.2018 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director(Finance) of the Company liable to retire by rotation."

10. RATIFICATION OF REMUNERATION OF COST AUDITOR FOR THE YEAR 2018-19

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

    "RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs.2,50,000 /- (Rupees Two lakh fifty thousand only) plus applicable taxes and out of pocket expenses if any, to conduct the audit of cost accounts maintained by the company for the financial year 2018-19 payable to M/s.M. Krishnaswamy & Associates Cost Accountants, Chennai, the cost auditor of the company be and is hereby ratified"

11. AMENDMENT OF CLAUSE V OF MEMORANDUM OF ASSOCIATION OF THE COMPANY:

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

    "RESOLVED that in accordance with the provision of Section 13 of the Companies Act, 2013 and all other applicable provisions, if any, (including any statutory modifications or re-enactments thereof for the time being in force), the existing Clause V of the Memorandum of Association of the Company be and is hereby replaced with the following Clause:

"The Capital of the Company is Rs.1400,00,00,000 (Rupees one thousand four hundred crore) divided into 40,00,00,000 (Forty crore) Equity Shares of Rs.10/- (Rupees Ten only) each and 100,00,00,000 (One Hundred crore) Preference Shares of Rs. 10/- (Rupees Ten only) each, with rights , privileges and conditions attaching thereto as are provided by the regulations of the company for the time being, with power to increase and reduce the capital of the company and to consolidate, sub-divide or **cancel** the shares and issue shares of higher or lower denomination in accordance with the provisions contained in the Articles of Association."

12. ALTERATION OF ARTICLES OF ASSOCIATION OF THE COMPANY BY INSERTION OF NEW ARTICLE 8 A:

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

"RESOLVED that pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force),the following new Article 8 A of the Articles of Association of the Company be and is hereby inserted after Article 8:

Article-8A

"Subject to the provisions of Section 61 of the Companies Act, 2013, the Company may in a General Meeting, from time to time by an ordinary resolution cancel the shares which at the date of passing of resolution have not been taken or agreed to be taken by any person and diminish the amount of its issued share capital by the amount of shares so cancelled"

13.CANCELLATION OF UNSUBSCRIBED EQUITY SHARE CAPITAL OF RS.20,86,89,000 COMPRISING 2,08,68,900 EQUITY SHARES OF RS.10/- EACH.

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

"RESOLVED that the unsubscribed share capital of Rs. 20,86,89,000/- comprising unsubscribed portion of Rs.4,99,27,000 by Government of India and unsubscribed portion of Rs.15,87,62,000 by Government of India and Amoco India Inc., respectively in the Rights Issue made by the company in the year 1984, representing 2,08,68,900 shares of Rs.10/ each , be and is hereby cancelled'

14.CANCELLATION OF 2,19,700 FORFEITED EQUITY SHARES OF RS.10/- EACH TOTALLING RS. 21,97,000 /-

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

"RESOLVED that 2,19,700 equity shares of Rs.10/- each for Rs. 21,97,000 /- forfeited by the Board of Directors of the Company for non-payment of Allotment / first and final call money , be and is hereby cancelled. "

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

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

Date: 29.06.2018
Place: Chennai

Notes:-

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

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

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

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

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

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

7) The Register of Members and the Share Transfer Books of the Company will remain closed **from Friday, the 17th August 2018 to Friday, the 24th August 2018 (both days inclusive)** for the purpose of ascertaining the eligibility of members for payment of dividend. The dividend payable on equity shares if approved by the members, will be paid to those members whose names appear on the Register of members and as per the beneficial owners' position received from NSDL and CDSL as **at the close of the working hours on Thursday, the 16th August 2018.**

   A preference dividend of 6.65% as per the terms and conditions of the offer document will be paid on the paid-up preference share capital of the company for the financial year 2017-18 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, email ids and mobile number to M/s.Karvy Computershare Private Limited, the Share Transfer Agents of the Company.

13) As per the provisions of section 124(5) of the Companies Act, 2013, the dividend(s) which remains unpaid / unclaimed for a period of 7 years is to be transferred to the Investor Education & Protection Fund (IEPF) established by the Central Government at the end of the 7th year. Accordingly, the Company has transferred all unpaid / unclaimed dividend declared upto the financial year 2009-10 to IEPF on the respective dates.

Further, section 124(6) of the Companies Act, 2013 read with rules made thereunder provide that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the demat account of IEPF authority. In line with the above, the company has transferred 3,03,281 equity shares of Rs.10/- each in respect of shareholders whose dividend has remained unclaimed for seven consecutive years from the financial years 2009-2010, to Investor Education Protection Fund on 28.11.2017.The details of such shares are hosted on the website of the company www.cpcl.co.in/iepf.

It may please be noted upon completion of 7 years, the Company would transfer the unpaid / unclaimed dividend for the financial year 2010-11 in November, 2018. Further, the shares in respect of which dividend has remained unpaid / unclaimed for a consecutive period of 7 years i.e. from FY 2010-11 to 2017-18, (Except for the financial years 2012-13 to 2014-15 where no dividend has been declared) would be transferred to the demat account of IEPF authority in the month of November, 2018. The details of such unpaid / unclaimed dividend(s) as well as shares liable to be transferred to the IEPF will be hosted on the website of the company www.cpcl.co.in/iepf. The members are requested to write to the RTA at the address given at (11) above or at the registered office of the Company for claiming the unpaid / unclaimed dividend.

Further, Section 125 of the Companies Act, 2013 provides that a shareholder whose dividend amount / shares have been transferred to the IEPF shall be entitled to claim refund therefrom. The procedure for claiming the unpaid dividend amount and shares transferred to the IEPF Authority is provided on the following link: http://www.iepf.gov.in/IEPFA/refund.html

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/InvestorCenterRelations. 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 52nd 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 2017-2018, Notice of the 52nd AGM and instructions for e-voting along with the Attendance Slip and Proxy Form are being sent by electronic mode only to those members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses,

abridged version of physical copies of the Annual Report 2017- 2018, are being sent by the permitted mode. Full Annual Report will be sent to the shareholders based on specific request. Members holding shares in physical form can send their email address for registration to einward.ris@karvy.com / mohsin.mohd@karvy.com quoting the Folio Number and Name of the Company.

19) The Annual Report, **both abridged and full version** is available on the Company's Website at www.cpcl.co.in/AnnualReport.

20) In terms of Section 108 of Companies, Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 the Company is providing the facility to its members to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice. **The cut-off date to be eligible to vote is Thursday, the 16th August 2018.**

21) Facility for e-voting:

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

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

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

- Launch internet browser by typing the URL: https://evoting.karvy.com.
- Enter the login credentials (i.e. User ID and Password mentioned in the notice). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for logging in.
- After entering these details appropriately, Click on "LOGIN".
- You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- You need to login again with the new password.
- On successful login, the system will prompt you to select the "EVENT" i.e. Chennai Petroleum Corporation Limited.
- On the voting page, enter the number of shares (which represents the number of votes as on the Cut Off date) under "FOR / AGAINST / ABSTAIN" or alternatively, you may partially enter any number of votes in "FOR" and partially in "AGAINST" such that the total number of votes cast "FOR/AGAINST"taken together should not exceed your total shareholding. In case you do not wish to cast your vote you may choose the option "ABSTAIN".
- Voting has to be done for each item of the Notice separately. In case you do not cast your vote on any specific item it will be treated as abstained.
- Members holding multiple demat accounts / folios shall choose the voting process separately for each demat account / folio.
- You may then cast your vote by selecting an appropriate option and click on "Submit".

- A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
- Corporate / Institutional members are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email ID: lbandco.cs@gmail.com, with a copy marked to evoting@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "CPCL, 52nd Annual General Meeting".
- The e-voting would commence **on Saturday, the 18th August 2018 at 9:30 AM and end on Thursday, the 23rd August 2018 at 05.00 PM.** During this period, the eligible members of the Company may cast their vote by electronic means in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter. Further, members who cast their vote electronically shall not be entitled to vote at the Annual General Meeting.
- Facility for voting through ballot paper would also be made available at the AGM venue. Members who cast their votes electronically should not vote through ballot paper. However, in case a member votes electronically as well as through ballot paper, the vote cast through ballot paper will be ignored.
- In case of any query pertaining to e-voting, please visit Help & FAQ's section of https://evoting.karvy.com.
- The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company, as on the cut-off date.
- The Company has appointed M/s.LB &Co. Company Secretaries, as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through e-voting in the presence of at least 2 (two) witnesses not in the employment of the Company and submit not later than 48 hours of conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against if any, to the Chairman of the Company or such other officer authorized by the Chairman.
- The Results on resolutions shall be declared within 48 hours of the conclusion of the AGM and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
- The results of voting along with the Scrutinizer's Report(s) thereon would be available on the website of the Company (www.cpcl.co.in) and on Service Provider's website (https://evoting.karvy.com) immediately after the declaration of the results and would also be communicated simultaneously to the BSE Limited and the National Stock Exchange of India Limited.

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

Item No. 5

Mrs. Perin Devi was appointed as an Additional Director with effect from 24.11.2017. As per the provisions of Section 161 of the Companies Act, 2013, Mrs.Perin Devi will hold office only upto the date of the 52nd Annual General Meeting of the Company.

Details of Directorships in Other Companies	1
Membership/Chairmanship in the Committees of other Companies	Memberships-3 Chairmanship-1
No. of Shares held in the Company as on date	Nil
Relationship between Directors inter-se	None

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

Mrs. Perin Devi 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 Mrs. Perin Devi.

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

Item No.6

Mr. G. Aravindan was appointed as an Additional Director with effect from 30.01.2018. As per the provisions of Section 161 of the Companies Act, 2013, Mr. G. Aravindan will hold office only upto the date of the 52nd Annual General Meeting of the Company.

Details of Directorships in Other Companies	1
Membership/Chairmanship in the Committees of other Companies	Nil
No. of Shares held in the Company as on date	200
Relationship between Directors inter-se	None

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

Mr.G.Aravindan 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.G.Aravindan .

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

Item No.7

Shri.S.N.Pandey was appointed as an Additional Director with effect from 01.02.2018. As per the provisions of Section 161 of the Companies Act, 2013, Shri.S.N. Pandey will hold office only upto the date of the 52nd Annual General Meeting of the Company.

Details of Directorships in Other Companies	2
Membership/Chairmanship in the Committees of other Companies	Nil
No. of Shares held in the Company as on date	Nil
Relationship between Directors inter-se	None

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

Shri.S.N.Pandey is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. None of the Directors / Key Managerial Personnel of the Company and their relatives are interested or concerned in the resolution except Shri.S.N.Pandey.

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

Item No.8

Shri.B.V.Rama Gopal was appointed as an Additional Director with effect from 05.04.2018. As per the provisions of Section 161 of the Companies Act, 2013, Shri.B.V.Rama Gopal will hold office only upto the date of the 52nd Annual General Meeting of the Company.

Details of Directorships in Other Companies	2
Membership/Chairmanship in the Committees of other Companies	Nil
No. of Shares held in the Company as on date	Nil
Relationship between Directors inter-se	None

A Notice under section 160 of the Companies Act, 2013 has been received proposing the appointment of Shri.B.V.Rama Gopal as a Director along with the deposit amount as prescribed under the Companies Act 2013.

Shri.B.V.Rama Gopal is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. None of the Directors / Key Managerial Personnel of the Company and their relatives are interested or concerned in the resolution except Shri.B.V.Rama Gopal.

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

Item No.9

Shri. Rajeev Ailawadi was appointed as an Additional Director with effect from 08.05.2018. As per the provisions of Section 161 of the Companies Act, 2013, Shri.Rajeev Ailawadi will hold office only upto the date of the 52nd Annual General Meeting of the Company.

Details of Directorships in Other Companies	Nil
Membership/Chairmanship in the Committees of other Companies	Nil
No. of Shares held in the Company as on date	Nil
Relationship between Directors inter-se	None

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

Shri. Rajeev Ailawadi is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. None of the Directors / Key Managerial Personnel of the Company and their relatives are interested or concerned in the resolution except Shri. Rajeev Ailawadi

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

Item No. 10

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 2018-19 at a remuneration of Rs. 2,50,000/- plus applicable taxes and out of pocket expenses, if any, to conduct the audit of cost accounts maintained by the company was recommended by the Audit Committee and the Board at the Meeting held on 10.05.2018.

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

Hence the present resolution for remuneration of Rs. 2,50,000/- plus applicable taxes and out of pocket expenses, if any, to conduct the audit of cost accounts maintained by the company for the Financial Year 2018-19 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.11 and Item No. 12

There was a difference of 2,10,88,600 equity shares of Rs.10/each between the issued and subscribed share capital as under:

Particulars	Issued share capital	Subscribed share capital	Difference
Equity shares	Rs.170 crores (17 crore shares of Rs.10 each)	Rs.148,91,14,000 (14,89,11,400 shares of Rs. 10 each)	2,10,88,600 equity shares of Rs.10/ each

The reasons for the difference are as under:

1. Government of India was offered 9,03,727 Equity Shares of Rs.1000/- each on "Rights Basis" in the year 1984 and Government had subscribed for only 8,53,800 shares. The unsubscribed portion by Government of India was 49,927 shares of Rs.1000 each, amounting to Rs.4,99,27,000/-.

2. AMOCO India Inc., had not subscribed to its rights entitlement of 1,58,762 shares of Rs.1000/- each amounting to Rs.15,87,62,000/-.

   In view of the above, the total unsubscribed portion of equity share capital (1+2) above was 2,08,689 equity shares of Rs.1000/- each.

   Note: Equity Shares of Rs.1000/- each were sub-divided into Equity Shares of Rs.10/- each at the EGM held on 30.12.1991.Therefore 2,08,689 unsubscribed Equity Shares of Rs.1000/- each were sub-divided into 2,08,68,900 Equity Shares of Rs.10/- each.

3. The Board of Directors of the company forfeited 2,19,700 Equity Shares of Rs.10/- each for non-payment of allotment / call money by the public shareholders during the public issue in March 1994. 1,87,900 equity shares forfeited on 26.09.2003 and 31,800 equity shares forfeited on 26.10.2006.

The Board of Directors of the company at the meeting held on 05.04.2018, accorded approval for cancellation of 2,08,68,900 unsubscribed shares of Rs.10/ each and 2,19,700 shares forfeited by the Board for non-payment of allotment/first and final call money totaling 2,10,88,600 equity shares of Rs.10/ each, subject to the approval of the shareholders of the Company in the General Meeting.

The cancellation of unsubscribed share capital can be effected provided the Memorandum and Articles of Association of CPCL provides for the same. The Memorandum & Articles of Association of CPCL does not contain provision for cancellation of shares. Therefore, it is proposed to amend the Memorandum and Articles of Association of CPCL to provide for cancellation of 2,08,68,900 unsubscribed shares of Rs.10/ each and 2,19,700 shares forfeited by the Board for non-payment of allotment/first and final call money totaling 2,10,88,600 equity shares of Rs.10/ each

The proposal for Amendment of Memorandum of Association to provide for Cancellation of unsubscribed shares (Item 11) and the proposal for Amendment of Articles of Association by insertion of new Article 8A to provide for cancellation of unsubscribed shares (Item 12) requires the approval of the shareholders by way of Special Resolution.

Hence, the present Resolutions.

Memorandum of Interest:-

None of the Directors are interested in the Resolutions.

Item No.13 and Item No. 14

There was a difference of 2,10,88,600 equity shares of Rs.10/each between the issued and subscribed share capital in view of the reasons as explained under Item 11 and 12 above. This difference was getting reflected in the Quarterly Report on Reconciliation of Share Capital Audit being submitted by the company to BSE and NSE. The Board of Directors of the Company while considering the agenda proposal on reconciliation of share capital audit advised that appropriate action be initiated to resolve the difference.

Subsequently, approval of the Board of Directors of the company was obtained for cancellation of 2,08,68,900 unsubscribed shares of Rs.10/ each and 2,19,700 shares forfeited by the Board for non-payment of allotment/first and final call money totaling 2,10,88,600 equity shares of Rs.10/ each, subject to the approval of the shareholders of the Company in the General Meeting.

The above said approval for cancellation of unsubscribed shares and forfeited shares will be effective after the approval of the shareholders for the proposals in Item nos. 11 & 12 (i.e amendments to the Memorandum of Association and Articles of Association respectively) by way of special resolution.

The proposal for cancellation of 2,08,68,900 unsubscribed shares of Rs.10/ each (Item No 13) and proposal for cancellation of 2,19,700 shares forfeited by the Board for non-payment of allotment/first and final call money during the Public Issue in March 1994 (Item No.14) totaling 2,10,88,600 equity shares of Rs.10/ each requires the approval of the shareholders by way of ordinary resolution.

Hence, the present Resolutions.

Memorandum of Interest:-

None of the Directors are interested in the Resolutions.

BRIEF RESUME OF THE DIRECTORS

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

   Mr. Sanjiv Singh is not holding any shares in the Company. Inter-se relationship between Directors is none.

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

   Mrs. Perin Devi is the member of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, CSR&SD Committee and Board Project Committee of CPCL.

3. Mr.G.Aravindan born on 12.02.1960, was appointed as Director (Operations) effective 30.01.2018. He holds a Bachelor's Degree in Technology and Masters Degree in Business Administration from the University of Madras. He has more than three decades of experience in the areas of Refinery Operations.

   Mr.G.Aravindan is the member of CSR & SD Committee, Board Project Committee and Planning & Projects Committee of CPCL.

4. Mr.S.N.Pandey born on 11.01.1961 was appointed as Managing Director effective 01.02.2018. He holds a Bachelor's Degree in Technology and Master's Degree in Business Administration. He has more than three decades of experience in Oil industry, in areas including Planning & Coordination, Process Monitoring, Process Projects Design, Process Simulation, Encon, Engineering and Environment, Safety, Shipping and International Trade. Prior to joining CPCL, he was the Executive Director (Optimisation), Indian Oil Corporation Limited.

5. Mr.B.V.Rama Gopal born on 02.07.1959 was appointed on the Board of CPCL effective 05.04.2018. He is a Graduate in Chemical Engineering from Osmania University, Hyderabad. He has more than three decades of extensive work experience in the oil & gas sector in areas including Projects Management, Technical Services, Operations, Production, Planning & Coordination, Refining & Petrochemicals. Presently he is Director (Refineries), Indian Oil Corporation Limited.

   Mr.B.V.Rama Gopal is the member of Nomination and Remuneration Committee and Chairman of the Board Project Committee of CPCL.

6. Mr.Rajeev Ailawadi born on 23.02.1963 was appointed as Director(Finance) effective 08.05.2018. He is a Chartered Accountant and has done his IMBA (One year MBA course conducted by IIPM in association with University of Slovania). He has three decades of experience in Downstream Oil & Gas, Petrochemical businesses. Prior to Joining CPCL, he was Chief General Manager in Indian Oil Corporation Limited.

   Mr. Rajeev Ailawadi is the member of Stakeholders Relationship Committee, CSR&SD Committee, Board Project Committee and Planning & Projects Committee of the company.

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

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

Date: 29.06.2018
Place: Chennai

REPORT ON CORPORATE GOVERNANCE: 2017-18

1 COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

CPCL is of the firm belief that the presence of strong Corporate Governance standards not only creates awareness among stakeholders about the company but also aids in economic growth. With a view to percolate the values of fairness, integrity and accountability amongst its stakeholders, your company has endeavoured to adhere to the best industry practices.

The touchstone of your company's governance philosophy is based on care, innovation and trust which are essential to fulfill its vision of becoming the most admired Indian Energy company. CPCL has a well defined governance framework which is reflected in the following policies formulated by the company:

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

2 BOARD OF DIRECTORS

a) Composition of the Board of Directors

The company is managed by the Board of Directors which formulates strategies and policies and reviews its performance periodically. The Board of Directors of the Company has an optimum combination of both Executive and Non-Executive Directors, which includes independent directors, Government Directors and directors representing the Promoters viz., Indian Oil Corporation Ltd and Naftiran Inter-trade Company Ltd.

As on 31.03.2018, CPCL Board comprises of the following categories of Directors:

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

  Note: The post of Director (Finance) was vacant from 01.02.2018 till 07.05.2018. Mr.S.N.Pandey, Managing Director was holding the additional charge of the post of Director (Finance) till 07.05.2018. Mr.Rajeev Ailawadi has been appointed as Director(Finance) effective 08.05.2018, in place of Mr.S.Krishna Prasad who super-annuated on 31.01.2018.

  Out of the total number of ten Directors as on 31.3.2018, Seven Directors were Non-Executive Directors. Thus the Company meets the requirement of the number of Non-Executive Directors being not less than 50% of the Board of Directors of the Company as prescribed by SEBI under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

Presently, the Company has two Independent Directors as against the requirement of 9 and one Woman director, who is a nominee of Ministry of Petroleum and Natural Gas, Government of India. The appointment of additional Independent Directors is under the consideration of Government of India.

b) Details of familiarization programs imparted to independent directors

The details of familiarization programs imparted to independent directors are hosted on the website of the company and can be accessed at https://www.cpcl.co.in/CorporateGovernance

c) Board Meetings

The dates of the Board meetings are fixed in advance and informed to the Directors to enable them plan their schedule accordingly. During the year, the company implemented a digital online Board Portal for uploading the agenda proposals which can be accessed by the Directors electronically in a secured manner to help conduct paperless Board and Sub- Committee meetings.

<u>Information placed before the Board</u>

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

- Capital and Revenue Budget
- Memorandum of Understanding with Indian Oil Corporation Limited, the Holding Company
- MoU Evaluation report
- Quarterly and Annual Financial results
- 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 Quarterly 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

d)Seven Board Meetings were held during the year 2017-18 on the following dates:

Board Meeting No.	Board Meeting Date	Board strength	Number of Directors present
315	10.04.2017	11	10
316	15.05.2017	11	9
317	23.06.2017	11	9
318	04.08.2017	10	8
319	24.08.2017	10	8
320	08.11.2017	10	9
321	19.01.2018	10	8

e)Attendance of Directors at the Board Meetings held during the financial year 2017-18 and at the last Annual General Meeting held on 24.08.2017; Number of other directorships, and Number of memberships / chairmanships held by the Directors in the committees of various companies are as under:

Name of the Director	No. of Board Meetings attended out of meetings held during the tenure of Director	Attendance at the AGM on 24.08.2017 (Yes/No/NA)	No.of Directorship in other companies as on 31.03.2018	Membership of Committees in other companies incl.CPCL as on 31.03.2018	Chairmanship of committees in other companies incl. CPCL as on 31.03.2018
Non-Executive Chairman					
Mr.Sanjiv Singh	6(7)	YES	3	1	0
Mr.B.Ashok (upto 31.05.2017)	2(2)	NA	2	0	0
Whole-time Directors					
Mr.S.N.Pandey (w.e.f. 01.02.2018)	0	NA	2	0	0
Mr.U.Venkata Ramana	7(7)	YES	1	CPCL-4 IAL-2	IAL-1
Mr.G.Aravindan (w.e.f. 30.01.2018)	0	NA	1	3	0
Mr.Gautam Roy (upto 31.01.2018)	7(7)	YES	2	0	0
Mr.S.Krishna Prasad (upto 31.01.2018)	6(7)	YES	2	4	0
Mr. S. Venkataramana (upto 30.06.2017)	3(3)	NA	2	3	0
Part-time Non-Executive Director (IOCL Nominee)					
Mr.S.M.Vaidya (From 23.06.17 to 05.04.2018)	5(5)	YES	0	2	0
Mr.B.V.Rama Gopal (w.e.f 05.04.2018)	0	NA	2	1	1
Independent Directors					
Mr.Mrutunjay Sahoo	5(7)	YES	1	1	2
Dr.P.B.Lohiya	7(7)	YES	0	2	2
Part-time Non-Executive Director (Government Nominee)					
Mrs.Perin Devi (w.e.f. 24.11.2017)	1(1)	NA	1	CPCL-5 BLI-3	BLI -1
Mr.K.M.Mahesh (upto 24.11.2017)	5(6)	YES	0	3	1
Part-time Non-Executive Director (NICO Nominee)					
Mr.M.B.Dakhili	5(7)	NO	1	CPCL-1 MFL-2	MFL-1
Mr.Farzad Bahrami	2(7)	NO	1	CPCL-1 MFL-1	0

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

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all the listed companies in which they are a Director. All the Directors have made requisite disclosures regarding Directorship / Committee position occupied by them in other companies.

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

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

The Code of Conduct for Directors and Senior Management Personnel of the company has been laid down by the Board, which has been circulated to all the concerned and the same is also hosted in the website of the company https://www.cpcl.co.in/policies. The Directors and Senior Management Personnel of the company have affirmed compliance with the provisions of the CPCL's code of conduct for year ended 31.03.2018.

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 31.03.2018 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 31.03.2018 and the same was informed to the Board at the 323rd Meeting held on 10.05.2018".

S.N. PANDEY

MANAGING DIRECTOR

Place: Chennai

Date: 10.05.2018

Shareholdings of Independent Directors:

Mr.Mrutunjay Sahoo, independent director is holding 1500 equity shares in CPCL as on 31.03.2018.

3. AUDIT COMMITTEE

The Composition of the Committee as on 31.03.2018 is as under:

1. Mr.Mrutunjay Sahoo, Independent Director – Chairman
2. Dr.P.B.Lohiya, Independent Director – Member
3. Mrs.Perin Devi, Director – Member
   (w.e.f 24.11.2017)

Note: Mr.K.M.Mahesh was a member till 24.11.2017. Mr.S.Krishna Prasad , the then Director(Finance) was the permanent invitee till 31.01.2018. Mr.Rajeev Ailawadi, Director(Finance) is the Permanent invitee effective 08.05.2018.

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 2017-18 and the Members present are given below:

Attendance at meetings held out of total number of meetings						
MEMBERS PRESENT	**15.05.2017**	**04.08.2017**	**08.11.2017**	**19.01.2018**	**22.03.2018**	**Total**
Mr.Mrutunjay Sahoo	YES	YES	YES	YES	YES	5/5
Dr.P.B.Lohiya	YES	YES	YES	YES	YES	5/5
Mrs.Perin Devi (w.e.f 24.11.2017)	NA	NA	NA	YES	YES	2/2
Mr.K.M.Mahesh (upto 24.11.2017)	YES	YES	YES	NA	NA	3/3

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

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

4. NOMINATION & REMUNERATION COMMITTEE (NRC)

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

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

The Nomination & Remuneration Committee as on 31.03.2018 comprises of the following members:

- Mr.Mrutunjay Sahoo, Independent Director – Chairman
- Dr.P.B.Lohiya, Independent Director – Member
- Mrs.Perin Devi, Government Director – Member (w.e.f 24.11.2017)
- Mr.S.M.Vaidya, Director – Member (from 23.06.2017 till 05.04.2018)

Note: Mr.K.M.Mahesh was a member till 24.11.2017. Mr.B.V.Rama Gopal was inducted as a member in place of Mr.S.M.Vaidya effective 05.04.2018.

The terms of reference of the Committee would be as under:

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

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

The details of NRC meetings held during the financial year 2017-18 are as under:

Name of the member	Attendance at the meetings held out of total number of meetings	Total
	11.10.2017	
Mr.Mrutunjay Sahoo	YES	1/1
Dr.P.B.Lohiya	YES	1/1
Mrs.Perin Devi (w.e.f. 24.11.2017)	NA	NA
Mr.S.M.Vaidya	YES	1/1
Mr.K.M.Mahesh (upto 24.11.2017)	YES	1/1

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

Directors Remuneration

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

The gross value of the fixed component of the remuneration, as explained above, paid to the whole time functional Directors, during the financial year 2017-18 is given below:

(Rs. in lakhs)

Name of the Director	Salaries & Allowances	Contribution to Provident Fund / Superannuation Fund etc.	Other Benefits	Total
Mr.S.N.Pandey (w.e.f 01.02.2018)	5.01	1.13	-	6.14
Mr.Gautam Roy (upto 31.01.2018)	43.87	5.53	10.94	60.34
Mr.U.Venkata Ramana	48.29	5.23	6.34	59.86
Mr.G.Aravindan (w.e.f 30.01.2018)	6.64	1.16	-	7.80
Mr.S.Krishna Prasad (upto 31.01.2018)	33.26	5.11	3.83	42.20
Mr.S.Venkataramana (upto 30.06.2017)	23.34	11.33	29.79	64.46

Note:

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

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

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

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 has been revised from Rs.20000/- to Rs.40000/- and from Rs.20000/- to Rs.30000/ respectively, effective 19.01.2018.

The details of the sitting fees paid to Non-Executive Directors during 2017-18 are given below:

Mr. Mrutunjay Sahoo – Rs. 2,80,000/-

Dr. P. B. Lohiya – Rs. 4,60,000/-

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 31.03.2018 is as under:

- Dr. P. B. Lohiya, Independent Director – Chairman
- Mrs. Perin Devi, Government Director – Member (w.e.f 24.11.2017)
- Mr. U. Venkata Ramana, Director (Technical) – Member
- Mr. Farzad Bahrami, Director – Member

Note: Mr. K. M. Mahesh was a member till 24.11.2017; Mr. S. Krishna Prasad, the then Director(Finance) was a member till 31.01.2018. Mr. Rajeev Ailawadi, Director(Finance) has been inducted as a member effective 08.05.2018.

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

The details of Stakeholders Relationship Committee Meetings held during the Financial Year 2017-18 and Members present are given below:

Members Present	Attendance at the meetings held out of total number of meetings		Total
	04.08.2017	19.01.2018	
Dr.P.B.Lohiya	YES	YES	2/2
Mr.U.Venkata Ramana	YES	YES	2/2
Mrs.Perin Devi	NA	YES	1/1
Mr.Farzad Bahrami	LOA	LOA	0/2
Mr.S.Krishna Prasad (upto 31.01.2018)	YES	YES	2/2
Mr.K.M.Mahesh (upto 24.11.2017)	YES	NA	1/1

LOA denotes Leave of Absence.

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

Details of complaints received and redressed during the year 2017-18

During the year 1023 complaints were received and all have been resolved. As on 31.03.2018, no complaints were pending.

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

6 COMMITTEE ON CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABLE DEVELOPMENT:

The Composition of Committee on CSR & SD as on 31.03.2018 is as follows:

- Dr.P.B.Lohiya, Independent Director – Chairman
- Mrs.Perin Devi, Government Director – Member (from 24.11.2017)
- Mr.U.Venkata Ramana, Director (Technical), Member
- Mr.M.B.Dakhili, Director – Member

Note: Mr.K.M.Mahesh was a member till 24.11.2017. Mr.S.Krishna Prasad, the then Director (Finance) was a Member till 31.01.2018. Mr.Rajeev Ailawadi, Director (Finance), was inducted as member of the CSR & SD Committee w.e.f 08.05.2018.

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 2017-18 along with the Members present are given below:

Members Present	Attendance at the meetings held out of total number of meetings				Total
	15.05.2017	23.06.2017	11.10.2017	19.01.2018	
Dr.P.B.Lohiya	YES	YES	YES	YES	4/4
Mrs.Perin Devi (w.e.f 24.11.2017)	NA	NA	NA	YES	1/1
Mr.K.M.Mahesh (upto 24.11.2017)	YES	LOA	YES	NA	2/3
Mr.S.Venkataramana (upto 30.06.2017)	YES	YES	NA	NA	2/2
Mr.U.Venkata Ramana	YES	YES	YES	YES	4/4
Mr.S.Krishna Prasad (upto 31.01.2018)	YES	YES	YES	YES	4/4
Mr.M.B.Dakhili	YES	YES	LOA	YES	3/4

Note: LOA denotes Leave of Absence

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. Mrs.Perin Devi, Director – Chairman –(w.e.f 24.11.2017) 2. Mr.Mrutunjay Sahoo, Independent Director – Member 3. Mr.S.M.Vaidya, Director – Member (from 23.06.2017 upto 05.04.2018) 4. Director (Technical) or Director (Operations), depending upon the Proposal considered Note: Mr.S.Krishna Prasad, the then Director(Finance) was a member till 31.01.2018. Mr.Rajeev Ailawadi, Director (Finance), was inducted as member w.e.f 08.05.2018. Mr.B.V.Rama Gopal was inducted as a member and designated as Chairman of the Committee effective 05.04.2018.	1
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)	14

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
07.09.2015	Kamaraj Arangam, 492, Anna Salai Chennai 600 006	03.00 pm	Nil
07.09.2016	The Music Academy, 168, TTK Road, Royapettah, Chennai – 600 014	03.00 pm	Nil
24.08.2017	Kamaraj Arangam, 492, Anna Salai Chennai 600 006	03.00 pm	Nil

No Extraordinary General Meeting of the Members was held during the year 2017-18.

9 POSTAL BALLOT DETAILS:

No approval of shareholders was sought by means of Postal Ballot during 2017-18.

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

10. DISCLOSURES

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

a) One separate meeting of the Independent Directors as required under Regulation 25(3) of SEBI (LODR) Regulations, 2015 was held on 11.10.2017. The requirement relating to separate meeting of Independent Directors was complied during the Financial Year 2017-2018 and the same will be complied with during financial year 2018-19.

b) Materially significant Related Party Transactions

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

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

c) Details of Non-Compliance during last three years

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

d) Whistle-Blower Policy

The Board of Directors of the Company at the 260th Meeting held on 24.03.2009, accorded approval for the implementation of the Whistle Blower Policy in the Company. A copy of the Whistle Blower Policy is displayed in the website of the Company, under the link, https://www.cpcl.co.in/policies.

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

e) Compliance with mandatory requirements 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. The Company has taken up the issue with the appointing authority, viz., Government of India. The appointment of additional Independent Directors is under the consideration of Government of India.

ii) Compliance of Applicable Laws

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

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

The Board reviewed the Compliance Report of all laws applicable to the Company for the period 01.10.2016 to 30.09.2017 at the 320th Board Meeting held on 08.11.2017. The compliance report for the period 01.10.2017 to 30.09.2018 will be placed before the Board at the meeting scheduled in November 2018.

iii) Risk Assessment and Minimisation Procedures

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

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

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

The Action Taken Report on the Risk Management Policy for the year 2017-18 were reviewed by the Audit Committee and Board at the meeting held on 27.06.2018.

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

CPCL has formulated the Code for prevention of Insider Trading in the securities of CPCL (Insider Trading Code) in line with SEBI (Prohibition of Insider Trading) Regulation, 2015 and the same was approved by the Board at its meeting held on 23.05.2015. The Insider Trading Code is uploaded in the website of the Company under the link, https://www.cpcl.co.in/policies.

v) Compliance Certificate

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

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. Need based training is provided to the newly appointed Directors on the Board. Mr.G.Aravindan, Director(Operations) and Mr.R.Srikanthan, CGM (CBR) shortlisted by the Govt. of India for the post of Director (Technical), attended Board Orientation Program on 30th and 31st May 2018 organised by Institute of Public Enterprises, Hyderabad.

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 89th Audit Committee Meeting and 323rd Board meeting held on 10.05.2018.

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. 70 major contracts were covered under the integrity pact during 2017-18 and the threshold limit for entering into integrity pact was Rs.1.0 crore.

h) Relationship between Directors

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

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

i) Demat suspense account / unclaimed suspense account

No shares of CPCL were lying in the Demat suspense account or unclaimed suspense account as on 31.03.2018.

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. 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 2017-18.

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 0.28 % as compared to the previous year figure of 0.38%.

In the preparation of financial statement for the year 2017-18, 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 Financial Results within the limits prescribed under SEBI (LODR) and announces the results to Stock Exchanges where the equity shares are listed. The same are also published, within 48 hours in the newspapers viz., The Hindu, and Makkal Kural (Tamil).

The Quarterly Results, Half yearly Results, Annual Results and Shareholding pattern are placed on the Company's website at https://www.cpcl.co.in/ Financial Result. 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 https://www.cpcl.co.in/Press Release.

c) Website

The Company's website, https://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, under the link, https://www.cpcl.co.in/Annual Report

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, under the link, https://www.cpcl.co.in/Annual Report

f) Investors cell

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

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

The provisions of the Companies Act 2013 and rules made thereunder permit paperless communication by allowing service of all documents in electronic mode Accordingly, CPCL would send the copy of the Annual Report for the year 2017-18 along with the notice convening the Annual General Meeting through email to those shareholders who have registered their email id with the DP's / R&T agents and have not opted for physical copy of the Annual report.

12. GENERAL SHAREHOLDER INFORMATION

a) 52nd Annual General Meeting

Date & Time	:	24th August 2018; 03:00 pm.
Venue	:	Kamaraj Arangam 492, Anna Salai, Chennai –600 006

b) Financial Calendar : April – March

c) Book Closure Date : 17.08.2018 to 24.08.2018 (Both days inclusive)

d) Dividend / despatch date : As per the Guidelines on Capital Restructuring of CPSEs, issued by Ministry of Finance, Department of Investment and Public Asset Management dated 27.05.2016, (uploaded in the website), every CPSE would pay a minimum annual dividend of 30% of PAT or 5% of the networth whichever is higher subject to maximum dividend permitted under the extant legal provisions. In line with these guidelines, the Board has recommended a dividend of 185% (Rs.18.50 per share) for the year 2017-18.Equity 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 and National Stock Exchange of India Limited. The listing fee for the year 2018-19 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 Financial Year

(in Rupees)

Month	NSE			BSE		
	High	Low	Close	High	Low	Close
Apr-17	394.35	362.00	380.95	394.80	362.90	380.30
May-17	424.90	359.15	381.00	424.80	359.50	380.05
Jun-17	396.80	339.95	353.95	396.50	340.00	353.85
Jul-17	412.00	350.00	387.00	410.20	350.75	387.40
Aug-17	449.95	363.75	448.35	449.00	364.25	446.65
Sep-17	467.00	380.90	402.95	466.95	381.70	402.30
Oct-17	480.50	400.00	468.80	477.10	400.55	470.15
Nov-17	477.30	410.25	425.00	476.90	408.60	426.15
Dec-17	441.00	403.10	428.60	439.60	403.00	429.00
Jan-18	464.40	410.35	413.70	464.00	405.40	413.50
Feb-18	417.45	349.05	364.70	417.90	350.10	364.45
Mar-18	371.40	310.50	327.35	370.80	310.80	328.50

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

Month	NSE		BSE	
	CPCL Close (in ₹)	Index (CNX NIFTY)	CPCL Close (in ₹)	Index (S&P BSE SENSEX)
Apr-17	380.95	9304.05	380.30	29918.40
May-17	381.00	9621.25	380.05	31145.80
Jun-17	353.95	9520.90	353.85	30921.61
Jul-17	387.00	10077.10	387.40	32514.94
Aug-17	448.35	9917.90	446.65	31730.49
Sep-17	402.95	9788.60	402.30	31283.72
Oct-17	468.80	10335.30	470.15	33213.13
Nov-17	425.00	10226.55	426.15	33149.35
Dec-17	428.60	10530.70	429.00	34056.83
Jan-18	413.70	11027.70	413.50	35965.02
Feb-18	364.70	10492.85	364.45	34184.04
Mar-18	327.35	10113.70	328.50	32968.68

k) Debt Securities:

The debt securities viz., Secured Redeemable Non–Convertible Debentures (Series-II) to the extent of Rs.1000 crore issued in January 2014 are listed in the Whole-sale Debt Market Segment(WDM) of NSE.

Change in Debenture Trustees:

M/s. All Bank Finance Ltd., the debentures trustees informed in September 2017 that a decision has been taken to relinquish their office of Debenture Trustee and surrender their trustee license to SEBI, consequent to the ongoing process for merger of M/s.AllBank Finance Ltd with Allahabad Bank. Subsequently, M/s.AllBank Finance Ltd, vide communication dated 17.11.2017 informed that they have appointed M/s. Axis Trustee Services Ltd., Mumbai as their successor trustees for the above said Debentures, on the same terms and conditions. The consent of debenture holders have been obtained for appointment of M/s. Axis Trustee Services Ltd., Mumbai as the successor trustee. M/s.All Bank Finance Ltd, vide communication dated 23.04.2018 informed that the amalgamation of All bank Finance Ltd with Allahabad Bank has been completed. The execution of new Trustee agreement is under process.

The contact details of new Debenture Trustees are as under:

Axis Trustee Services Ltd.

Contact Person & No.: Swati Borkar,

Board No.: 91-22-62260068

Address: Axis Trustee Services Ltd.

Axis House, Ground Floor, Wadia International Center,

Pandurang Budhkar Marg,

Worli, Mumbai – 400 025

l) Registrars and Share Transfer Agents:

(a) Hyderabad Office:

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

(b)Chennai Office:

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

m) Share Transfer System:

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

The number of transfers approved and shares transferred from 01.04.2017 to 31.03.2018 are given below:

Sl.No.	Particulars	No. of Cases	Number of Shares Involved
1	Number of transfer deeds received	204	24100
2	Transfer deeds processed	69	7900
3	Defective transfer deeds sent to the proposed transferee for rectification of defects	135	16200

The number of meetings held for approving the Share Transfers from 01.04.2017 to 31.03.2018 is 30.

The number of demat requests approved and shares dematted from 01.04.2017 to 31.03.2018 in National Securities Depository Ltd. (NSDL) are given below:-

Sl.No.	Particulars	Number of Demat Request Form (DRF)	Shares
1	Number of demat requests received	518	61702
2	Number of demat requests processed	360	42102
3	Number of demat requests rejected, for non-receipt of physical share certificates within 30 days as per the requirement of NSDL	158	19600

The number of demat requests approved and shares dematted from 01.04.2017 to 31.03.2018 in Central Depository Services (India) Ltd. (CDSL) are given below:

Sl.No.	Particulars	Number of Demat Request Form (DRF)	Number of Shares Involved
1	Number of demat requests received	371	44350
2	Number of demat requests processed	259	31500
3	Number of demat requests rejected, for non-receipt of physical share certificates within 30 days as per the requirement of CDSL	112	12850

n) Distribution of Shareholding as on 31.03.2018:

Shareholding of Nominal Value (Rs.)	Shareholders		Share Amount	
	Number	% of Total	Rs.	% to Total
upto 1 - 5000	66220	95.16	59236920.00	3.98
5001 - 10000	1653	2.38	13118910.00	0.88
10001 - 20000	801	1.15	12060700.00	0.81
20001 - 30000	257	0.37	6495730.00	0.44
30001 - 40000	126	0.18	4529020.00	0.30
40001 - 50000	105	0.15	4937140.00	0.33
50001 - 100000	168	0.24	12182980.00	0.82
100001 & ABOVE	255	0.37	1376552600.00	92.44
Total:	**69585**	**100.00**	**1489114000.00**	**100.00**

o) Shareholding Pattern as on 31.03.2018:

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)	935464	12098251	13033715	8.75	8601	54699	63300
NBFC	0	5609	5609	0.00	0	10	10
Bodies Corporate	16200	2579763	2595963	1.74	48	683	731
Banks, FIs and Insurance Companies	100	7124976	7125076	4.78	1	19	20
Mutual Funds and UTI	5800	8746388	8752188	5.88	6	28	34
IEPF	0	303281	303281	0.20	0	1	1
Non-Resident Indians/ OCBs/FN/Foreign Portfolio Investors/ Non-Resident Indians (Non Repatriable)/ Foreign Nationals/FIIs	492900	16404568	16897468	11.35	3555	1932	5487
Total	**1450464**	**147460936**	**148911400**	**100.00**	**12211**	**57374**	**69585**

p) Top Ten Shareholders as on 31.03.2018 (Other than Promoters)

SNo	Name/Jt1/Jt2	Shares	% Equity
1	LIFE INSURANCE CORPORATION OF INDIA	2811141	1.89
2	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE PURE VALUE FUND	2360146	1.58
3	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE BALANCED 95 FUND	2283000	1.53
4	THE NEW INDIA ASSURANCE COMPANY LIMITED	2165072	1.45
5	LSV EMERGING MARKETS EQUITY FUND LP	1451200	0.97
6	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE SMALL AND MIDCAP FUND	1382000	0.93
7	GENERAL INSURANCE CORPORATION OF INDIA	1050000	0.71
8	ACADIAN EMERGING MARKETS SMALL CAP EQUITY FUND LLC	1024348	0.69
9	AUSTRALIAN SUPER	803500	0.54
10	LIC OF INDIA MARKET PLUS 1 GROWTH FUND	770391	0.52

q) Dematerialisation of Shares and Liquidity

The dematerialisation facility exists with both the National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the convenience of shareholders. As on 31.03.2018, 14,74,60,936 equity shares have been dematerialized, representing 99.03% 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:

<table>
<tr><th>Year</th><th>Date of Declaration</th><th>Due Date of Transfer</th></tr>
<tr><td>2010-2011</td><td>12.09.2011</td><td>11.10.2018</td></tr>
<tr><td>2011-2012</td><td>11.09.2012</td><td>10.10.2019</td></tr>
<tr><td>2012-2013</td><td rowspan="3" colspan="2">No Dividend</td></tr>
<tr><td>2013-2014</td></tr>
<tr><td>2014-2015</td></tr>
<tr><td>2015-2016</td><td>07.09.2016</td><td>06.10.2023</td></tr>
<tr><td>2016-2017</td><td>24.08.2017</td><td>23.09.2024</td></tr>
</table>

The dividend payable to Naftiran Intertrade Company Limited (NICO) for the year 2015-16 amounting to Rs.9,17,31,600/- and for the year 2016-17 amounting to Rs.48,15,90,900/- was remitted to the Bank Account of NICO in Euro currency through IndusInd Bank on availability of banking channels during the Financial Year 2017-2018.

The shareholders, who have not yet encashed their dividend for the aforesaid years, may write to the Company or its R&T Agent in this regard to claim such unpaid dividend.

The IEPF rules notified by the Ministry of Corporate Affairs further provides that details of all unclaimed / unpaid dividend as on the AGM date shall be filed with the MCA and also hosted on the website of the company within 90 days from the date of the AGM. Accordingly, the company has filed the information as on the last AGM date i.e. 24.08.2017 in the prescribed form with the IEPF and also hosted it on company's website https://www.cpcl.co.in/Document.

TRANSFER OF UNCLAIMED SHARES TO IEPF

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

Ministry of Corporate Affairs (MCA), Government of India, had notified the Investor Education & Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2015 in September 2016 and further amended by Notification dated 26.10.2017 providing for the transfer of the Equity Shares to IEPF in respect of which dividend has remained unclaimed for seven consecutive years or more, on or before 30.11.2017.

In line with the above, the company has transferred 3,03,281 equity shares of Rs.10/- each in respect of shareholders whose dividend has remained unclaimed for seven consecutive years from the financial years 2009-2010, to Investor Education & Protection Fund on 28.11.2017.

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

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. The company has not entered into any Commodity Hedging Transactions during the financial year 2017-18.

t) Plant Locations

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

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

u) Address for Correspondence

Chennai Petroleum Corporation Limited,
No.536, Anna Salai, Teynampet,
Chennai – 600 018
Phone: 044-24349833
Fax: 044- 24341753
Email: sld@cpcl.co.in

v) CIN No.: L40101TN1965GOI005389

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

REPORT TO SHAREHOLDERS

DIRECTORS' REPORT 2017-2018

To the Valued Shareholders of Chennai Petroleum,

On behalf of the Board of Directors of your Company, it is my proud privilege to report another year of landmark performance of your Company and to present the 52nd 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, 2018.

PERFORMANCE REVIEW

FINANCIALS:

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

Financials (Standalone and Consolidated)

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

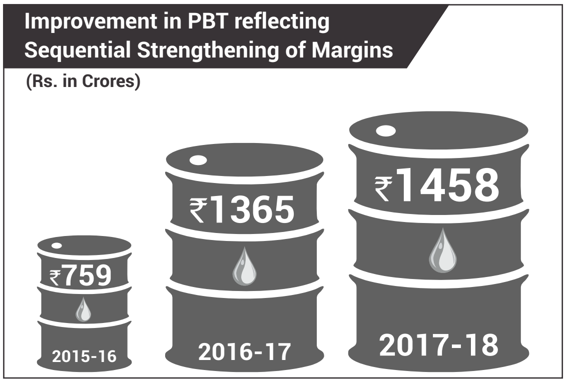
(₹ in crore)

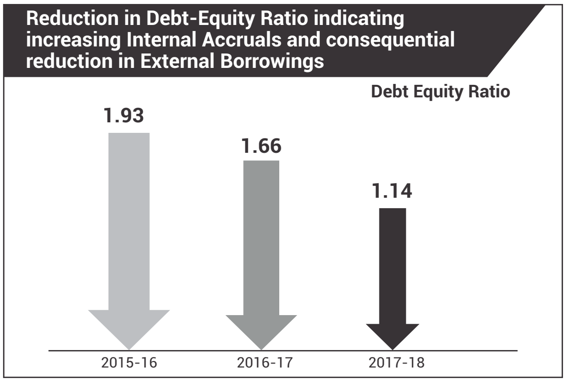
Particulars	Standalone		Consolidated	
	2017-18	2016-17	**2017-18**	2016-17
Gross Turnover	44135	40586	44136	40586
Profit Before Finance Cost, Depreciation and Tax	2124	1978	2118	1972
Finance Cost	321	273	321	273
Depreciation, Amortisation and Impairment	345	340	345	340
Profit Before Tax (before Share of Profit of Joint Ventures)	1458	1365	1452	1359
Share of Profit of Joint Ventures	-	-	20	27
Profit Before tax	**1458**	**1365**	**1472**	**1386**
Tax Expense	545	335	545	335
Profit After tax	**913**	**1030**	**927**	**1051**
Less: Appropriations				
Dividend on Equity Shares	313	60	313	60
Corporate Dividend Tax	64	12	65	13
Capital Redemption Reserve	200	200	200	200
Debenture Redemption Reserve	50	50	50	50
Retained Earnings	**286**	**708**	**299**	**728**

The highlights of Standalone Financial Performance during the year 2017-18:

The year 2017-18 was another remarkable year for the Company and the performance highlights are as under:

- The Company's turnover registered an increase of 9% at Rs. 44,135 crore, as compared to Rs. 40,586 crore in the previous year, on account of increase in both the quantity of products sold and price variation.
- The Profit Before Tax clocked at Rs. 1,458 crore in the current year was the second highest since inception, registering an increase of 7% as compared to Rs. 1,365 crore in the previous year.
- However, the Profit After Tax was lower at Rs. 913 crore in the current year, as compared to Rs. 1,030 crore in the previous year, mainly on account of recognition of Deferred Tax Assets in respect of balance carry-forward losses in full in FY 2016-17.
- The Gross Refining Margin in the current year marginally rose to $ 6.42/bbl as compared to $ 6.05/bbl in the previous year.





Dividend

The Board recommended a Preference Dividend of 6.65% payable to Indian Oil Corporation Ltd., the holding Company, as per the terms and conditions of the offer document, on the paid-up Preference Share Capital of the Company for the financial year 2017-18, which amounts to Rs. 0.665 per preference share, and the same has been accounted for as part of Finance Cost in line with Ind AS requirements.

Based on the financial performance, the Board is pleased to recommend for approval of the members a dividend of 185% for 2017-18 (Rs.18.50 per equity share). The dividend on equity shares would entail a cash outgo of Rs.331.57 crore, including dividend distribution tax.

Partial Redemption of Preference Shares

The Board of Directors of the Company at the meeting held on 5th April, 2018, has accorded approval for the partial redemption of non-convertible cumulative redeemable preference shares to the extent of Rs.500 Crores, out of the total outstanding amount of Rs.1,000 Crores. Accordingly, in terms of the issue, offer for partial redemption of non-convertible cumulative redeemable preference shares to the extent of Rs.500 Crores, was made to Indian Oil Corporation Limited. Based on the acceptance of the offer by IndianOil, the same has been remitted to Indian Oil Corporation Limited subsequently on 6th June, 2018.

Unsubscribed Share Capital

The Board of Directors of the Company at its meeting held on 5th April, 2018, accorded approval, subject to the approval of the shareholders of the Company in the General Meeting, for the following:

- For cancellation of unsubscribed equity share capital of Rs.20,86,89,000, consisting of 2,08,68,900 equity shares of Rs.10/- each, comprising partial subscription to the Rights Issue made by the Company in 1984 by the Government of India and non-subscription by Amoco India Inc. to the Rights Issue made by the company in 1984;
- For cancellation of 2,19,700 forfeited equity shares of Rs.10/- each totalling Rs.21,97,000/- (1,87,900 equity shares forfeited on 26.9.2003 and 31,800 equity shares forfeited on 26.10.2006)

Book Value

The book value per share of your Company improved considerably from Rs.222.54 as on 31st March, 2017 to Rs.258.98 as on 31st March, 2018, registering an increasing of 16%.

Share Value

The highest and lowest market value of shares quoted in Stock Exchange for the period from 1st April, 2017 to 31st March, 2018 are as under:

(in ₹)

Stock Exchange	High	Low
NSE	480.50	310.50
BSE	477.10	310.80

Reserves and Surplus

The Reserves and Surplus as on 31st March, 2018 increased to Rs. 3,707.49 crore as compared to Rs.3,164.80 crore as on 31st March, 2017.

Value Addition

The value addition during the year 2017-18 improved to Rs. 2,953 crore as compared to Rs. 2,805 crore in the previous year.

Digital India Initiative

In line with the directives of the Government of India, your Company is taking initiatives to identify opportunities for implementation of new digital technologies to improve the efficiency and safety of its operations. These include facilitating and conducting several camps for opening of bank accounts for contract workmen through State Bank of India and Punjab National Bank, thereby achieving 100% bank account opening for around 6,000 contract labourers of CPCL and convening meetings to create awareness and encourage payments through digital means among all stakeholders

Your Company registered 77,407 digital transactions during the financial year 2017-18, surpassing the target set by Ministry of Petroleum and Natural Gas as part of the Digital India campaign.

Contribution to Exchequer

Your Company has been making significant contributions to both State and Central Exchequers in the form of duties and taxes. The details are as under:

(₹. in crore)

Particulars	**2017-18**	2016-17
Central Exchequer	**12,571**	13,270
State Exchequer	**714**	436
Total	**13,285**	13,706

Public Deposit Scheme

Your Company has not accepted any public deposits during the year 2017-18 and no public deposit was outstanding as on 31st March, 2018.

Transition to GST

Your Company has ensured smooth transition to the Goods and Services Tax (GST) regime with effect from 1st July, 2017 and achieved 100% registration of its vendors and contractors. A GST Outreach Programme was conducted on 5th July, 2017 at Chennai for the benefit of contractors, vendors and various other service-providers.

The total contribution to the exchequer towards GST for the period 1st July, 2017 to 31st March, 2018 was Rs. 1,064.16 crore.

However, since Motor Sprit (petrol), High Speed Diesel and Aviation Turbine Fuel continued to be outside the purview of GST, under-recoveries on account of restrictions in availing of input tax credit proportionately are being borne by the Company.

Transfer of Unclaimed Dividend to IEPF

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

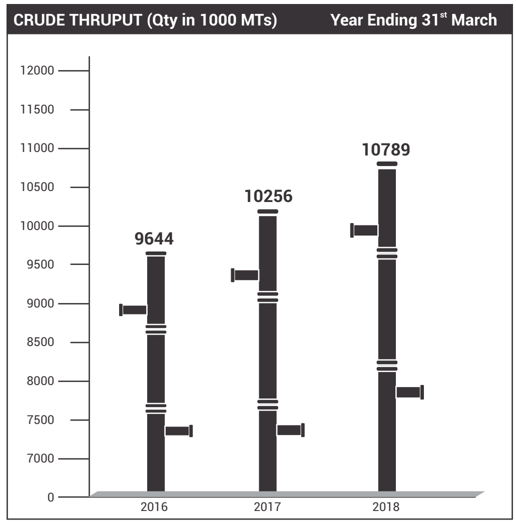
The Ministry of Corporate Affairs (MCA), Government of India, had notified the Investor Education & Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2015 in September 2016 and further amended them by a notification dated 26th Oct., 2017 providing for the transfer of the Equity Shares to IEPF in respect of those dividend amounts that remained unclaimed for seven consecutive years or more, on or before 30th November, 2017. In line with the above, the Company has transferred 3,03,281 equity shares of Rs.10/- each in respect of shareholders whose dividend has remained unclaimed for seven consecutive years from the financial year 2009-2010, to the Investor Education Protection Fund on 28th November, 2017.

PHYSICAL:

CRUDE OIL THRUPUT (in TMT)	2017-18	2016- 17
Imported	**8,660**	8,092
Indigenous	**2,129**	2164
Total Thruput	**10,789**	10,256

PRODUCTION (in TMT)		
Light Ends	**2,261**	2,186
Middle Distillates	**5,660**	5,290
Lube Base Stock	**169**	160
Wax	**24**	21
Heavy Ends	**1,634**	1,748
Intermediates differential	**32**	(41)
Other Inputs	**(28)**	(47)
Fuel & Loss	**1037**	938
Total Output	**10,789**	10,256
Distillate Yield	**73.2**	72.6

(TMT = Thousand Metric Tonnes)



3 Years Crude Thruput Trend

Operational Performance

Your Company achieved the highest ever crude oil throughput of 10.789 million metric tonnes per annum (MMTPA) during the year 2017-18 as against the previous best of 10.779 MMTPA during 2014-15. The distillates yield was the highest ever at 73.2% as against the previous best of 72.6% in 2016-17. The Energy Intensity Index (EII) recorded the lowest at 100.7 against the previous lowest of 101.3 in the year 2016-17. Your Company has achieved the MoU targets for all these physical parameters.

Your Company clocked the highest ever Once-thru Hydro Cracker Unit (OHCU) throughput of 2,164 TMT as against the previous best of 2,007 TMT in 2013-14. The Fluidised Catalytic Cracking Unit (FCCU) throughput achieved was also the highest at 1,084 TMT as against the previous best of 1,075 TMT in 2014-15.

Production of Motor Spirit was the highest at 1,107 TMT in 2017-18 as against the previous best of 1,105 TMT in 2016-17. HSD production (including raw diesel) also recorded the highest at 4,599 TMT as against the previous best of 4,474 TMT in 2014-15.

During the year, Manali Refinery achieved a crude oil throughput of 10,289 TMT, which surpassed the previous year's figure of 9,725 TMT. The distillates yield during the year was also higher at 72.3 wt.% as compared to 71.6 wt.% in the previous year. Fuel & Loss was higher at 9.7 wt.% as compared to 9.3 wt.% in the previous year.

During the year, Cauvery Basin Refinery achieved a crude oil throughput of 500 TMT as compared to the previous year's figure of 531 TMT. The distillate yield during the year was at 79.1 wt% as compared to 78.2 wt% in the previous year. Natural gas processed in 2017-18 was 73.1 TMT, as compared to the previous year's figure of 72 TMT. Fuel & Loss was at 4.6 wt.% as compared to 4.2 wt.% in the previous year.

Your Company processed two new low-sulphur crude oil grades (Okono from Nigeria and Madanam indigenous grade), which were added to the regular basket.

Signing of MoU 2017-18

MoU PERFORMANCE

Your Company had signed an MoU with Indian Oil Corporation Limited, the holding Company, setting the performance parameters and targets for the year 2017-18, as per the guidelines issued by the Department of Public Enterprises (DPE). Your Company has scored 'Excellent' rating from DPE in respect of the MOU for the year 2016-17.

MARKETING

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

The details of sales of products by your Company through direct marketing during 2017-18 as compared to the previous year are tabled below:

Inauguration of Liquid Paraffin Wax Marketing Facility at CPCL

PRODUCT	SALE QTY (IN MT)	
	2017-18	2016-17
A: Downstream Products		
Naphtha	**194178**	209411
LABFS	**64445**	58112
Butene (MEKFS)	**19940**	16167
Propylene	**30130**	26056
PBFS (+LPBFS)	**11969**	9382
B: Other Products		
Paraffin Wax	**21654**	23223
Hexane	**3171**	3554
Micro Crystalline Wax(MCW)	**214**	0
Sulphur	**39423**	36765
Petcoke	**60373**	0
TOTAL	**445497**	382670

During the year, direct sale of products recorded an increase of 16.5%, from 382 TMT to 445 TMT.

Yet another feature during the year was the production and marketing of Micro Crystalline Wax (MCW), an import substitute product. Sale of Petcoke, another new product, commenced in December 2017. Direct marketing of Fuel Oil (FO) to Indian Additives Limited through a dedicated line was also commenced during the year.

Your Company was conferred with two prestigious awards by the Federation of Indian Export Organisations (FIEO) for outstanding performance in exports. They were "Top Exporter - Southern Region Export Excellence Awards" in the Public Sector category for the years 2015-16 (Silver) and 2016-17 (Gold).

Top Exporter Award from FIEO

RESEARCH & DEVELOPMENT (R&D)

Your Company continues to lay greater emphasis on building in-house R&D capabilities and provide technical inputs and support to refinery operations for optimum utilisation of facilities and feedstock.

The major R&D projects undertaken during the year were:

- Pilot plant studies to develop catalyst for producing missile fuel and JP-10 in association with Indian Institute of Technology, Madras.
- Bio-lab for growth of micro algae culture.
- Fifty litres of low-aromatic and ultra-low Sulphur Jet Fuel (JP-7) for air breathing engine applications of DRDO.
- Lab-scale studies to convert Reduced Crude Oil (RCO) from Cauvery Basin Refinery (CBR) to low-sulfur, low-viscosity premium grade Fuel Oil.
- De-waxing studies using 100% Un-Converted Oil (UCO) and UCO+Light Neutral (LN) distillate blends to produce premium grade Lube Oil Base Stock (LOBS).

PROJECTS

Your Company pursues projects that enhance product quality, meet operational necessities and help upgrade environmental standards. Your Company achieved Plan and Non-plan expenditure of Rs. 931.92 crore and Rs. 88.40 crore respectively, totaling Rs.1,020.32 crore, during the year.

Manali Refinery

Completed Projects

Dedication of Resid Upgradation Project to the Nation

Resid Upgradation Project

Your Company has successfully implemented the Resid Upgradation Project comprising mainly of new secondary processing units like Delayed Coker Unit (DCU), Sulphur Recovery Unit (SRU) and Revamp of Once-through Hydrocracker Unit (OHCU), at a cost of Rs. 3,110 crore. This project was implemented to increase distillate yield and maximise the processing of high-sulphur, heavy crudes. The DCU has been commissioned in November 2017 and dispatch of Petcoke commenced. This will add significantly to the profitability of the refinery.

The unit was dedicated to the nation by the Hon'ble Minister for Petroleum & Natural Gas, Skill Development & Entrepreneurship in February 2018. The new Cooling Tower, DM plant and SRU were also commissioned in June 2017, December 2017 and March 2018 respectively.

Diesel Hydro-Desulphurisation (DHDS) unit Revamp Project:

Your Company has successfully revamped the existing DHDS unit at Manali Refinery from 1.80 MMTPA to 2.34 MMTPA capacity at a cost of Rs. 310 crore; this has enabled production of diesel meeting Bharat Stage IV (BS-IV) quality norms. The revamped unit was commissioned in February 2018.

DHDS Revamp

Ongoing Projects

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

New Crude Oil Pipeline

Your Company is implementing a new 42-inch diameter crude oil pipeline to replace the existing 30-inch pipeline from Chennai Port to Manali Refinery. The project, estimated to cost Rs. 258 crore with state-of-the art safety features, is slated for commissioning during the current year.

BS-VI Auto Fuels Quality Project

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

All the major equipment have been ordered and construction is in progress. The project is expected to be mechanically completed by Sept. 2019.

Regassified LNG (R-LNG) Project

Your Company proposes to implement an R-LNG Project at an estimated cost of Rs. 421 crore. This project will use R-LNG as feed in the Hydrogen Generation Units and as fuel in Hydrogen Reformer, Gas Turbines, Utility Boilers & Process Heaters. A Project Management Consultant has been engaged. The project is expected to be mechanically completed in phases from November 2018 onwards. Significant benefits are envisaged on commissioning of this project.

Cauvery Basin Refinery

Future Projects

Your Company has obtained in-principle approval to set up a 9.0 MMTPA refinery at CBR, Nagapattinam, at an estimated cost of Rs. 27,460.74 crore (±30% accuracy), for meeting the future energy needs of Tamil Nadu. A detailed feasibility study is being carried out by M/s. Engineers India Limited.

INFORMATION TECHNOLOGY

Your Company has taken several steps to assimilate advances in information technology to upgrade existing systems. Major initiatives undertaken during the year include the following:

- Developed and implemented the new weigh-bridge system software for migration from the existing Jay Instruments and Systems Pvt Ltd (JISL) system to Rice Lake system, which included additional features for sale of new product Petcoke
- Established network connectivity to mounded bullet control room, new Sulfur Recovery Unit (SRU) control room, SRU operator cabin and SRU sub-station. Also established fibre connectivity to new weigh-bridges at DCU plant.
- IT security audit carried out by Standardisation Testing and Quality Certification (STQC)
- Based on the directives of the Government of India, Information Security Policy was reviewed and a new IT policy was framed in line with the changes happening in the IT field.

HEALTH, SAFETY AND ENVIRONMENT

Health

Your Company lays utmost emphasis on prevention of work-related health hazards and provision of adequate medical services to the employees. Towards achieving this end, your Company constantly monitors the hazards that could affect the health of the workers and ensures that the same are within acceptable levels.

As part of health surveillance, 95% of the employees underwent annual health check-up. Contract employees scheduled to work at heights and in confined spaces were ensured of their physical fitness to do their respective jobs.

Timely action was taken on all medical emergencies, both illnesses and injuries, and the cases referred to hospitals for appropriate measures. Health awareness and screening programs were conducted at Occupational Health Services (OHS) for employees and contract workers.

47th National Safety day observed in CPCL

Safety

Your Company remained committed to the highest standards of safety and evinced utmost concern for the safety of its employees and refinery assets while carrying out its operations. Ensuring safe working conditions is one of the avowed objectives of your Company and continuous efforts are on to further bolster its safety record.

Major initiatives on safety management undertaken during the year include the following:

- Fire-fighting capabilities were augmented by procuring one foam-nurser of 16,000 litres capacity at a cost of Rs. 130 lakhs.
- Audits were done to ensure 100% usage of spark arrestors approved by the Petroleum and Explosives Safety Organisation (PESO) for all vehicles, including bitumen trucks, contractors' vehicles and transport cabs entering the refinery.
- Internal safety audits were carried out by in-house multidisciplinary teams and their recommendations were implemented in a time-bound manner; Pre-commissioning safety audits were carried out by OISD teams for the Resid DCU, SRU plants and revamped DHDS units; External safety audit was carried out by a five-member OISD team during the first week of Feb.'18 and an action plan was drawn to implement its recommendations.
- On-site emergency mock-drills were conducted at Manali Refinery in October 2017 and February 2018. Monthly mock-drills were conducted by creating different emergency scenarios.

Environment

Your Company continues to demonstrate its concern for environment protection by devoting considerable resources to meet the applicable environmental norms and regulations, by undertaking several initiatives.

Key initiatives taken for environment protection include the following:

- Connection of emission parameters of all the heaters, boilers and gas turbines to CPCB and TNPCB since October 2017.
- Connection of effluent parameters and web camera of Zero Liquid Discharge (ZLD) to Central Pollution Control Board (CPCB) and Tamilnadu Pollution Control Board (TNPCB) since July 2017.
- Continuous real-time data transfer to both CPCB and TNPCB.
- Leak Detection and Repair (LDAR) programme carried out on a regular basis as per the environment rules.
- In Cauvery Basin Refinery, online stack monitoring system, ambient air quality monitoring system and online Effluent Treatment Plant (ETP) monitoring system are in operation. Online data connectivity to the State Pollution Control Board / Central Pollution Control Board from these three systems is being complied with. Greenhouse gas emission inventorisation is being carried out every year.

ENERGY CONSERVATION

Your Company continues to give focussed attention to energy conservation and makes persistent efforts to monitor and optimise energy usage.

Significant energy conservation measures implemented by your Company during the year resulted in an estimated savings of about 11,000 Standard Refinery Fuel Ton (SRFT)/annum, representing about 0.11% savings on Fuel & Loss. The details of energy conservation measures are given in **Annexure I.**

Award to CPCL at the 21st RTM

In recognition of your Company's efforts to minimise energy consumption, your Company has been adjudged the winner for 'Boilers and Furnaces Efficiency' under Group-II Category (Fired Duty 500-1000 MM Kcal per hour) by the Center for High Technology, Ministry of Petroleum and Natural Gas. The Award was given at the 21st Refinery Technology Meet (RTM) held at Visakhapatnam on April 20th, 2017.

RELIABILITY IMPROVEMENT INITIATIVES

In order to ensure stable and safe operations, your Company has undertaken major initiatives to improve reliability of equipment, processes and product quality. Significant among them are the following:

- Naphtha and High Sulfur Diesel (HSD) fuel control valves reassigned to dedicated modules from the earlier single module system for facilitating uninterrupted fuel supply to Gas Turbine (GT) and to prevent shutdown.
- Reduction of regeneration downtime by replacing 40 Programmable Logic Controller (PLC)-based sequence valves, in new Demineralisation (DM) plant,
- Installation of dedicated spare pump for vacuum bottom service in CDU 1.
- Upgradation of Refinery-3 Distributed Control System(DCS) operating system from Centum CS 3000 to Centum VP with Windows 7 platform for cyber security compliance.
- Implementation of auto sequence in Safety Integrity Level (SIL) 3 safety PLC for improving the reliability of Ref 1 & 2 Instrument air system.

HUMAN RESOURCES

Your Company believes that its human resource pool has a vital role to play in the emerging competitive scenario in the industry. Accordingly, many initiatives have been taken for the development and growth of the employees to face future challenges.

The total manpower of your Company as on 31st March, 2018 was 1,709, comprising 832 supervisors and 877 non-supervisors (1,645 as on 31st March, 2017, comprising 805 supervisors and 840 non-supervisors).

During the year, a Memorandum of Settlement under Section 12 (3) of the Industrial Disputes Act 1947 on work-related items/facilities (Long Term Settlement-II) was signed between management and the recognised union on 2nd August, 2017. Active participation of Functional Directors in meetings with the Employees' Union, Officers Association and other welfare bodies on various occasions helped promote a cordial industrial relations climate.

Your Company gives utmost importance to training & development of its employees. During the year 2017-18, an overall performance of 2.56 average training man-days per employee were achieved, with training programmes on Talent Management and Career Progression for executives. Eligible employees were also nominated for various internal management development programmes, general programmes and programmes on Operations and Maintenance, besides to various external training programmes.

Your Company has been meticulously following the Presidential Directives and various instructions of the Government relating to the welfare of the SC, ST, OBC and Persons with Disabilities. Out of the total manpower, there were 394 SC employees (previous year: 392) and 42 ST employees (previous year: 38) as on 31st March, 2018, constituting 23.05% and 2.45% of the total manpower respectively.

The statistics relating to representation of SCs/STs/OBCs in the prescribed proforma as on 1st Jan. 2018 is given in **Annexure-II.**

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

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

Your Company is committed to prevention of sexual harassment of women at the workplace and takes prompt action in the event of reporting of such incidents. In this regard, an Internal Complaints Committee has been constituted to deal with sexual harassment complaints and conduct enquiries, if any. Further, a hand-book on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 released by the Ministry of Women and Child Development, Government of India, has been uploaded on the intranet to sensitise all employees about the provisions of the Act. There were no complaints of sexual harassment during the year.

WOMEN EMPOWERMENT

Your Company gives special focus to the various facets of women development plans and programmes. As on 31st March, 2018, 87 women employees are on the rolls of the Company, of whom 51 are in the supervisory cadre and 36 are in non-supervisory cadre, constituting 6.12% of the total supervisory employees and 4.10% of the total non-supervisory employees.

International Women's Day 2018 was celebrated by the women employees of CPCL on 8th March, 2018 with the theme 'Face Adversity, Walk Dauntless'. One of the women employees won the Women Achievers Award at the Indian Women Convention 2017.

Managing Director addressing Inaugural session at International Womens Day Celebration

MOU with ALIMCO for Distribution of Disability aids on 04.07.2018

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

Your Company's CSR activities focus on improving the lives of the poor and needy. The thrust areas of Corporate Social Responsibility (CSR) activities, inter alia, include safe drinking water, healthcare & sanitation, education & employment enhancing vocational skills, empowering women & socially/economically backward groups, environment sustainability, etc. The programmes are undertaken predominantly in the vicinity of the Company's major installations/establishments to improve the quality of life of the communities, which include marginalised groups such as SCs, STs, OBCs and disabled.

During the year, your Company has spent an all-time high amount of Rs. 918.18 lakhs towards community development activities. Of this, an amount of Rs.123.22 lakhs has been spent on various CSR activities by Cauvery Basin Refinery. An amount of Rs. 446.79 lakhs out of the total budget, constituting 48.66%, has been spent on activities under Swachh Bharat Abhiyan, as against the requirement of 33% as per DPE guidelines.

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

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

The Company also published a report on Corporate Sustainability for the year 2016-17 and the same is available at the link https://www.cpcl.co.in/corporategovernance

In recognition of its various CSR initiatives, your Company was conferred the Humanitarian Award sponsored by Thakkar Bapa Vidyalaya Samithi by Shri M. Venkaiah Naidu, Hon'ble Vice President of India.

Humanitarian Award to CPCL for CSR Activities

VIGILANCE

The Vigilance Department of your Company has been focussing its attention on streamlining systems and procedures on a continuous basis and conducting periodical inspections.

Several training programmes were organised for the benefit of employees, highlighting the importance of public procurement, preventive vigilance, compliance with guidelines, systems and procedures, etc., aimed at capacity building and bridging the knowledge gap of the personnel with the help of case studies.

Inauguration of Vigilance Awareness Week 2017

Vigilance Awareness Week-2017 was organised from 30th October, 2017 to 4th November, 2017 with the theme "My Vision – Corruption-free India." A compendium of CVC guidelines on tenders and contracts was compiled and released for the benefit of all stakeholders.

There are no pending vigilance cases as on 31st May 2018.

PUBLIC GRIEVANCES

Your Company always ensures timely redressal of public grievances. Contact details of Public Grievance Officer are displayed on the website of the Company under the link https://www.cpcl.co.in/grievances. During the year 2017-18, six public grievances were received and disposed of in time.

CORPORATE GOVERNANCE

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

BUSINESS RESPONSIBILITY REPORT

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

AUDIT COMMITTEE

The composition of the Committee as on 31st March, 2018 is as under:

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

Director (Finance) is the permanent invitee.

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

CODE OF CONDUCT

The Board of Directors of your Company has formulated a code of conduct for the Directors and senior management personnel, which was circulated to all concerned and hosted on the company's website. The code can be accessed at http://www.cpcl.co.in/code of conduct. The Directors and senior management personnel have affirmed compliance with the code of conduct and the same was informed to the Board at the meeting held on 10th May 2018.

RISK MANAGEMENT

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

The Action Taken Report on the Risk Management Policy for the year 2017-18 was reviewed by the Audit Committee and the Board at the meeting held on 27.06.2018.

INTERNAL FINANCIAL CONTROLS

Your Company has put in place adequate internal financial controls for ensuring the efficient conduct of its business in adherence with laid-down policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, which is commensurate with the size of the Company and the nature of its business to protect its interests of the Company.

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

The Statutory Auditors, in their report dated 10th May 2018, have opined that the Company has in all material respects adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018 based on internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

REMUNERATION TO AUDITORS

M/s. R Subramanian & Company LLP, Chennai and M/s. S Viswanathan LLP, Chennai, were appointed as Joint Statutory Auditors of the Company for the financial year 2017-18 by the Comptroller and Auditor General of India. The Board of Directors of the Company fixed a remuneration of Rs.18 lakhs towards statutory audit fees (Rs. 9.00 lakh to each of the Joint Statutory Auditors) in addition to out-of-pocket expenses, if any, and applicable GST.

There are no qualifications in the Statutory Auditors report dated 10th May, 2018 on the annual accounts for the financial year 2017-18.

COST AUDITORS

M/s. M Krishnaswamy & Associates, Cost Accountants, Chennai, were appointed as the Cost Auditor of Manali Refinery and Cauvery Basin Refinery of the Company for the financial year 2017-18 at a total remuneration of Rs. 2,00,000/- p.a. plus applicable taxes and out-of-pocket expenses, if any, to conduct the audit of Cost Accounts maintained by the Company subject to ratification by the shareholders in the Annual General Meeting.

The cost audit for the year 2016-17 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 2017-18 would also be filed within the stipulated time.

SECRETARIAL AUDIT

The Secretarial Audit Report for the year 2017-18 confirms that the Company has complied with all the applicable provisions of the Companies Act 2013 and the rules made thereunder and other applicable acts, rules, guidelines, applicable secretarial standards, etc., except the clause relating to appointment of Independent Directors.

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

One separate meeting of Independent Directors was held on 11th Oct, 2017.

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

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

PUBLIC PROCUREMENT POLICY FOR MSMEs

Your Company complied with the Public Procurement Policy for Micro Small and Medium Enterprises (MSME) as per the directives of the Government of India by achieving a target of 23.3% of the total procurement / service, excluding crude oil and natural gas, which is higher than the 20% target set for annual procurement from Micro and Small Enterprises (MSE). 0.68% was achieved against the sub-target of 4% for procurement earmarked for enterprises owned by SC/ST entrepreneurs and the remaining 3.32% of 4% was achieved by way of procurement from other micro and small enterprises in line with the policy.

MSME - Vendor Development Meet

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

JOINT VENTURES

Indian Additives Limited (IAL):

Your Company has a joint venture with Chevron Chemicals Company (now Chevron Oronite Company) in the year 1989 for manufacture of lube additives components and packages. The share capital of IAL is Rs. 23.66 crore. CPCL and Chevron hold 50% each in the share capital of IAL.

IAL achieved a turnover of Rs. 639.46 crore during the year 2017-18, as against Rs. 643.45 crore in the previous year. The Profit After Tax for the year 2017-18 was Rs. 39.33 crore as against Rs. 55.27 crore in the previous year. The Board of IAL has recommended a dividend of 50% for the financial year 2017.18.

National Aromatics and Petrochemicals Corporation Limited (AROCHEM):

Your Company has another Joint Venture with M/s. Southern Petrochemicals Industries Corporation Ltd. (SPIC) in the year 1989 for manufacture of PTA, Paraxylene, Orthoxylene and Benzene. The share capital of AROCHEM is Rs. 5 lakh. CPCL and SPIC hold 50% each in the share capital of AROCHEM. Consolidation in respect of financials of this JV Company has not been incorporated in the preparation of Consolidated Financial Statements since this JV is not operational. The investments have been fully provided for diminution in value.

RELATED PARTY TRANSACTIONS (RPTs)

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

REPORT ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS

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

PARTICULARS OF EMPLOYEES

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

BOARD OF DIRECTORS

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

1. Ms. Perin Devi, Director, Ministry of Petroleum and Natural Gas, Government of India has been appointed as Government Director on the Board of CPCL in place of Mr.K.M.Mahesh based on the communication No.C-31033/1/2016-CA/FTS:42979 dated 24.11.2017 received from Ministry of Petroleum and Natural Gas, Government of India, effective 24.11.2017. With this appointment, CPCL has complied with the requirement of appointment of 1 Woman Director.
2. Mr. Gautam Roy, the then Managing Director, was holding the additional charge of the post of Director (Operations) based on the communication from Ministry of Petroleum and Natural Gas vide letter dated 30.06.2017 and 20.09.2017, from 01.07.2017 to 29.01.2018 after superannuation of Mr. S. Venkataramana on 30.06.2017. Mr. G. Aravindan has been appointed as Director (Operations) effective 30.01.2018.
3. Mr. S.N.Pandey has been appointed as Managing Director effective 01.02.2018, in place of Mr.Gautam Roy, who superannuated on 31.01.2018.
4. Mr. B.V.Rama Gopal, Director (Refineries), IOCL, has been appointed as a Director at the Board meeting held on 05.04.2018 in place of Mr.S.M.Vaidya.
5. Mr. S.Krishna Prasad, the then Director (Finance) superannuated on 31.01.2018. Mr. Rajeev Ailawadi has been appointed as Director (Finance) effective 08.05.2018. Mr. S.N.Pandey, Managing Director, was holding the additional charge of Director (Finance) from 01.02.2018 till 07.05.2018.

BOARD MEETINGS

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

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

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

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

VIGIL MECHANISM / WHISTLE-BLOWER POLICY

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

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

DETAILS OF LOANS / INVESTMENTS / GUARANTEES

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

EXTRACT OF ANNUAL RETURN

As required under the provisions of the Companies Act, 2013, the extract of Annual Return for the financial year ended 31st March, 2018 in the prescribed form MGT-9 is attached at **Annexure-VIII** to this report.

COMPLAINCE WITH SECRETARIAL STANDARDS

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(5) 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 31st, 2018, the applicable accounting standards have been followed and that there are no material departures from the same;

ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;

iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) the Directors have prepared the annual accounts for the financial year ended 31st March, 2018, on a going concern basis;

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

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

RIGHT TO INFORMATION

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

During the year, 152 applications under the RTI Act were received and responded in time.

OFFICIAL LANGUAGE POLICY

Your Company continues to take constant efforts to effectively implement the provisions of the Official Language Act and Rules to ensure improvised use of Hindi in its day-to-day functioning. The Official Language Implementation Committee meets periodically to review the progress of usage of Hindi in the Company.

The First Sub-Committee of Committee of Parliament on Official Language held discussions with the officials of the Company on 17th Feb, 2018, on issues related to Official Language.

ACKNOWLEDGEMENT

Your Board of Directors take this opportunity to place on record their sincere appreciation of the commitment, initiative and hard work put in by the members of the CPCL family.

Your Board of Directors gratefully acknowledge the support, cooperation and guidance extended by the Government of India, particularly the Ministry of Petroleum & Natural Gas, other ministries, the Government of Tamil Nadu, Indian Oil Corporation Ltd., Naftiran Intertrade Company Ltd., Petroleum Planning and Analysis Cell, Oil Industry Development Board, Oil Industry Safety Directorate, Centre for High Technology, and other regulatory and statutory authorities.

Your Directors are thankful to all its stakeholders, including bankers, customers, contractors, vendors, etc., for the continued confidence reposed by them on the company.

Your Directors also place on record their appreciation of the valuable contributions made by other Directors, viz., Mr. Gautam Roy, Mr. S.Krishna Prasad, Mr. S.Venkataramana, Mr. K.M.Mahesh and Mr. S.M.Vaidya during their tenure on the Board.

For and on behalf of the Board

(Sanjiv Singh)
Chairman
DIN: 05280701

Place: New Delhi
Date: 14.07.2018

ANNEXURE - I

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

A. Conservation of Energy:

i) The following major Energy Conservation measures were taken

a) Utilization of Light Neutral Distillate at 220 C for CDU I crude preheat improvement

b) Improvement of propane and asphalt mixture preheat by utilizing hot tempered water

c) CDU II & III Gas Oil stripper steam reduction

d) DHDS steam turbine modification from complete condensation to partial extraction

e) Separator pressure control implementation in Plant 10 & 13 resulting in reduction of hydrogen consumption

f) Plant 13 stripper steam reduction

g) Shutdown of Cooling tower 3

h) VR pump modification in CDU III resulting in to power savings

i) 5th dilution modification in Plant 9 resulting in stoppage of solvent pump

j) Identification of High heat loss lines through field thermal survey and strengthening of insulation to minimize heat loss

The above measures resulted in an estimated savings of about 11000 SRFT/annum (0.11% savings on Fuel & Loss).

ii. Steps taken for utilizing Alternate Sources of Energy:

a) Solar Energy:

CPCL currently operates three roof top solar photovoltaic (PV) installations viz., 150 KW at CPCL CBR Refinery, 20 KW at CPCL Corporate office and 25 KW at CPCL Polytechnic, In addition , CPCL is exploring the possibility of increasing solar power capacity in future.

b) Wind Energy:

CPCL commissioned 22 wind mills with an installed capacity of 17.6MW at Pushpathur, TamilNadu in the year 2007 and has been generating wind energy since then successfully. The power generated from the Windmill is being used to meet the energy requirement of CPCL's Desalination plant through wheeling arrangement with TNEB.

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

The following additional investment proposals are being implemented:

- Pressure Swing Adsorption (PSA) II unit revamp from 6 bed to 8 bed to recover Hydrogen from Refinery off gases at the cost of Rs. 18.67 crore. Expected completion - March 2019.
- Implementation of Pinch in PDA Unit for pre-heat Improvement at the cost of Rs.13.10 Crore. Expected completion - Feb 2019 during M&I of LEB.

B. TECHNOLOGY ABSORPTION

i) Efforts made in Technology Absorption are as under:

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

1. R ecovery of valuable hydrocarbons from crude sludge – Jointly with IITM Chennai

   The project focuses on the recovery of valuable hydrocarbons from de-oiled crude sludge from crude tank bottom by microwave assisted pyrolysis in the presence of microwave absorbing materials (Susceptors).Characterisation of crude sludge sample was completed.

2. Feasibility study on the production of Premium grade Lube Oil Base Stock from UCO

   Dewaxing studies were carried out using 100% UCO and UCO+LN distillate blends in various ratios to produce premium grade Lube Oil Base Stock (LOBS).

3. Lab scale study for the production of environment friendly Low PAH RPO

   Low PAH (Poly Aromatic Hydrocarbons) RPO (Rubber Process Oil) formulation was done by blending refinery streams BN Extract and Foots Oil at different ratios to meet the stringent environment friendly norms

4. Tender evaluation of FCC catalysts, additives

   Evaluation of FCC catalysts, ZSM-5 additives & CO promoters for the recent tender was completed.

Patents filed

1. A Catalyst Composite using Mesoporous material supported ionic liquids for isomerisation of alkanes and process related thereto- Filed on 25-01-2018.

2. An Improved Process for Production of Low Polyaromatic Hydrocarbon Rubber Process Oil from Hydrotreated Deasphalted Oil. -Filed on 19-02-2018.

Publication / Presentation

1. Paper on “Preparation of Low Aromatic and Ultra-Low Sulphur Jet Fuel for Air-Breathing Engine Applications” was presented in International High Energy Materials Conference & Exhibits, HEMRL, Pune in November 2017.

2. A presentation on “Renewable crude and liquid hydrocarbon fuels from Algae” was given in the National Seminar on Clean Healthy Environment by Sustainable Technologies (CHEST’18) in the Department of Chemical Engineering, A.C. Tech, Anna University in March 2018.

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

1. Renewable crude and liquid hydrocarbon fuels from Algae (CHT Funded project);

Scale up study in 1, 10, 20 m^2 ponds to access the biomass productivity has been completed at the R&D centre of the Technology partner M/s Aban Infrastructure Limited – Biotech Division.

Bio-lab was set up at CPCL R&D for micro algae culture growth. Construction of Raceway ponds (200, 20 & 2 m^2) has been completed at CPCL. 4000 m^2 pond construction is underway.

Cell growth and Gene transfer study is in progress at International Centre for Genetic Engineering and Biotechnology (ICGEB) for Algal strain modification.

2. Development of eco-friendly and low-cost synthetic process for exo-tetrahydrodicyclo pentadiene (JP-10) with IITM (DRDO Funded Project);

Dicyclopentadiene (DCPD) was used as the feed stock. The feed was hydrogenated to obtain endo-tetrahydrocyclopentadiene. The endo product was further isomerized to obtain exo-tetrahydrocyclopentadiene (JP-10).Pilot plant studies are in progress with IITM developed Catalyst.

3. Development of JP-7 Jet Fuel from Refinery Streams for Air Breathing Engine Applications (DRDO funded Project);

A process was developed for the production of JP-7. Hydrocracker kerosene was fractionated for the required boiling range cut followed by hydrogenation to produce JP-7. About 50 litres of JP-7 was produced and delivered to DRDO

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)

	2017-18	2016-17
Capital	**370.47**	60.28
Recurring	**780.82**	393.66
Total	**1151.29**	453.94
Total R&D expenditure as % of Gross Turnover	**0.0261**	0.0123

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total Foreign Exchange used and earned:

(₹ in Lakhs)

	2017-18	2016-17
Used	**4594.71**	4023.17
Earned	-	-

ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SC'S /ST'S & OBC'S AS ON 01.01.2018 AND NUMBER OF APPOINTMENTS MADE DURING THE PRECEDING CALENDAR YEAR

SC/ST/OBC REPORT -I

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

Groups	Representation of SC's /ST's / OBC's as on 01.01.2018				No of appointments made during the calendar year 2017 (Jan – Dec 2017)									
					By Dir. Recruitment				By Promotion			By Deptn/Absorption		
	Total no of employees	SC's	ST's	OBC	TOTAL	SC'S	ST's	OBC	TOTAL	SC'S	ST's	TOTAL	SC'S	ST's
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group A Managerial / Executive Level	638	152	25	70	Nil	Nil	Nil	Nil	138	34	4	3	Nil	Nil
Group B Supervisory Level	161	37	3	46	31	7	2	14	16	3	1	Nil	Nil	Nil
Group C Workmen / Clerical Level	896	209	12	361	75	20	1	38	86	25	2	Nil	Nil	Nil
Group D	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Group D (Semi-Skilled /unskilled Excluding Sweepers)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Group D (Sweepers)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	**1695**	**398**	**40**	**477**	**106**	**27**	**3**	**52**	**240**	**62**	**7**	**3**	**0**	**0**

SC/ST/OBC REPORT -II

ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SC'S /ST'S & OBC'S IN VARIOUS GROUP "A" SERVICES AS ON 01.01.2018 AND NUMBER OF APPOINTMENTS MADE IN VARIOUS GRADES IN THE PRECEDING CALENDAR YEAR

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

Pay Scale (In Rupees)	Representation of SC's /ST's/OBC's as on 01.01.2018				No. of appointments made during the calendar year 2017 (Jan-Dec 2017)									
					By Dir. Recruitment				By Promotion			By Other Methods		
	Total no of employees	SC's	ST's	OBCs	TOTAL	SC's	ST's	OBC	TOTAL	SC's	ST's	TOTAL	SC's	ST's
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*	*13*	*14*	*15*
₹70000-200000	251	55	10	27	NIL	NIL	NIL	NIL	45	7	NIL	NIL	NIL	NIL
₹80000-220000	182	40	7	18	NIL	NIL	NIL	NIL	36	9	1	1	NIL	NIL
₹90000-240000	70	14	4	13	NIL	NIL	NIL	NIL	20	5	1	NIL	NIL	NIL
₹100000-260000	61	19	4	11	NIL	NIL	NIL	NIL	16	4	2	1	NIL	NIL
₹120000-280000	41	14	NIL	1	NIL	NIL	NIL	NIL	11	5	NIL	1	NIL	NIL
₹120000-280000	24	8	NIL	NIL	NIL	NIL	NIL	NIL	7	3	NIL	NIL	NIL	NIL
₹120000-280000	9	3	NIL	NIL	NIL	NIL	NIL	NIL	3	1	NIL	NIL	NIL	NIL
TOTAL	**638**	**153**	**25**	**70**	**0**	**0**	**0**	**0**	**138**	**34**	**4**	**3**	**0**	**0**

ANNEXURE - III

ANNUAL REPORT ON CSR ACTIVITY

1.0 BRIEF OUTLINE OF THE CSR POLICY:

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

2% of the average of the net profit earned during three immediately preceding financial years is earmarked as CSR Allocation for the year, which will be non-lapsable. Apart from the above, the Board of Directors of CPCL may authorise to carry out CSR activities on a voluntary basis, even though CPCL may not be required to carry out the CSR activities mandatorily in any year. 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 31.03.2018

The Composition of Committee on CSR & SD as on 31.03.2018 is as follows:

1. Dr. P.B Lohiya, Independent Director - Chairman
2. Ms. Perin Devi, Government Director – Member
3. Mr Mohammad Bagher Dakhili , Director - Member
4. Mr.S.N Pandey, MD and D(F)i/c - Member
5. Mr.U.Venkata Ramana, Director (Technical) – Member
6. Mr.G.Aravindan, Director (Operations) - Member

3.0 AVERAGE NET PROFITS AND PRESCRIBED CSR EXPENDITURE:

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

Particulars	₹ in Lakhs
Average net profit for last three financial years	45458.25
Prescribed CSR expenditure	909.16

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

₹. 909.16 Lakhs

5.0 DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR 2017-18.

Particulars	₹ in Lakhs
a) Total amount spent during the year	918.18
b) Amount unspent	-
c) Manner in which the amount spent during the financial year is detailed:	Refer Attachment

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

Not applicable.

7.0 RESPONSIBILITY STATEMENT

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

Managing Director & CEO

Chairman (CSR & SD Committee)

Place: New Delhi
Date: 27.06.2018

CSR AND SD ACTIVITIES FOR THE YEAR 2017-18

Sl. No.	CSR Project (or) Activitiy Identified	Sector in which the Project / Activity is covered	Projects or Programmes: (1) Local area or other (2) Specify the State and Districts where projects or programmes were undertaken	Amount outlay (Budget) Project or Programme wise (₹. in Lakh)#	Amount Spent on the Project or Programmes Sub-heads : (1) Direct Expenditure on Projects or Programme (2) Overheads (₹. in Lakh)*	Cumulative Expenditure upto the reporting period (₹. in Lakh)	Amount Direct or through implementing Agency
1	Running of 4 Community Health Care Centers	Health care	Local Area/Chennai & Nagapattinam / Tamil nadu	47.00	47.15	47.15	Implementing Agency
2	Fully Automated Analyzer – Nephrology Dept–MMC	Health care	Local Area/Chennai /Tamil nadu	12.00	12.51	12.51	Direct
3	Facilities for National Pulse Polio Programme	Health care	Local Area/Chennai /Tamil nadu	1.00	3.37	3.37	Direct
4	Equipments for Paediatric Emergency Dept.–Institute of Child Health, Egmore	Health care	Local Area/Chennai / Tamil nadu	24.00	21.62	21.62	Direct
5	Request for Ventilators and Dementia Care Centre – Neurology Dept., MMC	Health care	Local Area/Chennai /Tamil nadu	21.00	20.39	20.39	Direct
6	Medical Camps	Health care	Local Area /Chennai & Nagapattinam / Tamil nadu	10.00	11.22	11.22	Implementing Agency
7	Providing Computers for Govt. Schools / Colleges (CBR)	Education	Local Area / Nagapattinam / Tamil nadu	10.00	9.91	9.91	Direct
8	Contribution to CPCL Educational Trust for Maintenance of Polytechnic College.	Education	Local Area / Chennai / Tamil nadu	25.00	25.00	25.00	Direct
9	Contribution to CPCL Educational Trust for Building / Equipment of Polytechnic	Education	Local Area / Chennai / Tamil nadu	35.00	35.00	35.00	Direct
10	Library Books to Govt. Schools / Colleges	Education	Local Area / Chennai / Tamil nadu	10.00	10.04	10.04	Direct
11	Providing Furniture, Fans, etc. for Govt. Schools (CBR)	Education	Local Area / Nagapattinam / Tamil nadu	10.00	10.38	10.38	Direct
12	Skill Development Course (Graphic Design)	Skill Develop--ment	Local Area / Chennai / Tamil nadu	5.00	5.04	5.04	Implementing Agency
13	Scholarships to Meritorious students of Govt. Schools	Education	Local Area/Chennai & Nagapattinam / Tamil nadu	10.00	10.12	10.12	Direct
14	PG Diploma in Computer Course thru TN Association of Blind	Skill Develop--ment	Local Area/Chennai / Tamil nadu	2.00	2.00	2.00	Implementing Agency
15	Maintenance of School Toilets /School premises (Chennai)	Swachh Bharat	Local Area/Chennai /Tamil nadu	57.00	57.00	57.00	Implementing Agency

CSR AND SD ACTIVITIES FOR THE YEAR 2017-18

Sl. No.	CSR Project (or) Activitiy Identified	Sector in which the Project / Activity is covered	Projects or Programmes: (1) Local area or other (2) Specify the State and Districts where projects or programmes were undertaken	Amount outlay (Budget) Project or Programme wise (₹. in Lakh)#	Amount Spent on the Project or Programmes Sub-heads : (1) Direct Expenditure on Projects or Programme (2) Overheads (₹. in Lakh)*	Cumulative Expenditure upto the reporting period (₹. in Lakh)	Amount Direct or through implementing Agency
16	Maintenance of School Toilets (CBR)	Swachh Bharat	Local Area / Nagapattinam / Tamil nadu	6.00	6.47	6.47	Implementing Agency
17	Contribution for Construction of Community Toilets - Request from Chennai Corporation (Manali)	Swachh Bharat	Local Area/Chennai / Tamil nadu	20.00	20.00	20.00	Direct
18	Donation to Swachh Bharat Kosh & Clean Ganga Fund	Swachh Bharat	Others / PAN India	60.00	62.00	62.00	Direct
19	Swachh Bharat Campaign & Awareness programme	Swachh Bharat	Local Area/Chennai & Nagapattinam / Tamil nadu	42.00	41.57	41.57	Direct
20	Construction of Model Toilets(part of Vivekananda Park proposal) / Swachh Heritage place	Swachh Bharat	Local Area/Chennai /Tamil nadu	50.00	50.00	50.00	Implementing Agency
21	Contribution to Chennai Corporation(Manali) for construction of toilets under IHHL	Swachh Bharat	Local Area/Chennai / Tamil nadu	15.00	15.53	15.53	Direct
22	Chennai Corporation (Thiruvotriyur) – IHHL Scheme	Swachh Bharat	Local Area/Chennai /Tamil nadu	35.00	35.00	35.00	Direct
23	Contribution to Chennai Corporation (Madhavaram) for construction of Source Segregation Centres	Swachh Bharat	Local Area/Chennai & Nagapattinam /Tamil nadu	27.00	27.00	27.00	Direct
24	Construction / Renovation of School Toilet / Building & Swachh Bharat Vehicle (CBR)	Swachh Bharat	Local Area / Nagapattinam /Tamil nadu	30.00	30.62	30.62	Direct
25	Swachh Indhan (LPG Connection) to BPL families	Swachh Bharat	Local Area & Others /Chennai & Thiruvannamalai / Tamil nadu	92.00	91.61	91.61	Implementing Agency
26	Construction of Model Toilets at Sri Sarada Niketan College of Science for Women	Swachh Bharat	Others / Karur / Tamil nadu	10.00	10.00	10.00	Implementing Agency
27	Construction of Vivekananda Park near Vivekananda House	Art and heritage	Local Area/Chennai / Tamil nadu	80.00	80.00	80.00	Agency

CSR AND SD ACTIVITIES FOR THE YEAR 2017-18

Sl. No.	CSR Project (or) Activitiy Identified	Sector in which the Project / Activity is covered	Projects or Programmes: (1) Local area or other (2) Specify the State and Districts where projects or programmes were undertaken	Amount outlay (Budget) Project or Programme wise (₹. in Lakh)#	Amount Spent on the Project or Programmes Sub-heads : (1) Direct Expenditure on Projects or Programme (2) Overheads (₹. in Lakh)*	Cumulative Expenditure upto the reporting period (₹. in Lakh)	Amount Direct or through implementing Agency
28	Construction of Community Hall at Gopurajapuram	Social Welfare	Local Area / Nagapattinam / Tamil nadu	15.00	15.06	15.06	Direct
29	Construction of Library cum Waiting lobby at Sri Sarada Niketan College of Science for Women	Social Welfare	Others / Karur / Tamil nadu	40.00	40.00	40.00	Implementing Agency
30	Creche at Manali	Social Welfare	Local Area/Chennai /Tamil nadu	2.00	2.49	2.49	Implementing Agency
31	Tailoring Courses for Girl / Women	Skill Develop- -ment	Local Area/Chennai /Tamil nadu	1.00	1.01	1.01	Implementing Agency
32	Contribution to National Sports Development Authority	Sports	Others / Pan India	10.00	10.00	10.00	Direct
33	Contribution to Sports Authority of India	Sports	Others / Pan India	5.00	5.00	5.00	Direct
34	Sponsorship of National / State Level Sports event in TN	Sports	Local Area/Chennai & Nagapattinam / Tamil nadu	5.00	4.66	4.66	Direct
35	Drinking Water at Sooranur (CBR)	Drinking water	Local Area / Nagapattinam / Tamil nadu	15.00	14.94	14.94	Direct
36	Borewell at Institute of Mental Health, Kilpauk	Drinking Water	Local Area/Chennai / Tamil nadu	5.00	6.00	6.00	Implementing Agency
37	Assistive devices for Differently abled through ALIMCO	Divayangjan	Local Area/Chennai & Nagapattinam / Tamil nadu	34.00	34.16	34.16	Implementing Agency
38	Support during Natural Calamities and livelihood projects for downtrodden	Livelihood projects	Local Area/Chennai /Tamil nadu	30.00	30.91	30.91	Direct
39	Evaluation of CSR & SD Activities for 2016-17	Others	Local Area/Chennai / Tamil nadu	2.00	1.40	1.40	Implementing Agency
40	Toys for 10 nos. Anganwaadi run by Govt of Tamilnadu under the ICDS	Social Welfare	Local Area/Chennai / Tamil nadu	2.00	2.00	2.00	Direct
	Total			**912.00**	**918.18**		

Note: # Amount outlay includes the amount re-appropriated with the Approval of Competent Authority.

* Due approval of Competent Authority has been obtained to incur expenditure over and above the initial approved budget.

ANNEXURE-IV

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

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

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Shareholders of

Chennai Petroleum Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Chennai Petroleum Corporation Limited for the year ended March 31, 2018 as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 with the BSE Limited and NSE and the guidelines on Corporate Governance for Central Public Sector Enterprises, as enunciated by the Department of Public Enterprises (DPE).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as well as the DPE Guidelines for the year ended March 31, 2018, except for non-compliance relating to minimum number of Independent Directors on the Board which was less than the half of the total strength of the Board.

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

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

For R.Subramanian and Company LLP
Chartered Accountants
FRN: 004137S/S200041

R. Kumarasubramanian
Partner
Membership No: 021888

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

V.C.Krishnan
Partner
Membership No: 022167

Place: Chennai
Date:11.06.2018

ANNEXURE – V

MANAGEMENT DISCUSSION AND ANALYSIS

(Forming part of the Directors Report for the year ended 31.03.2018)

Economic Overview:

The global economy registered a growth rate of 3.8% during 2017-18 , higher than 3.6% during the previous year, mainly due to faster growth in United States , China, India, Japan and recovery in European economies countries, as per the International Monetary Fund (IMF) report in April 2018. Also with the envisaged higher growth in advanced economies along with developing economies, the Global GDP growth is expected to be higher at 3.9% for the current year. The recovery in some of the commodity prices such as oil and steel during 2017-18, is expected to continue during 2018-19, which augurs well for the economic growth of these exporting countries. However the economies which are dependent on import of these commodities will have to bear the burden of increase in their import bill. The extent of impact of the increase in commodity prices on these economies is still not clear. However, as per the BP energy outlook 2040, GDP is expected to grow at an average growth rate of 3.2% till 2040 with major growth contribution coming for India, China and African countries.

The Indian economy registered a growth rate of 6.7 % during 2017-18, with 7.7% growth rate in the Q4 of the year, indicating recovery of the Indian economy and demonstrating the inherent strength and aspirations of people development. During the year 2017-18, the construction sector comprising production and consumption of steel recorded a growth rate of 5.3% against 1.3% in the previous year. Also Services and financial sectors registered higher growth of 8% and 6.6% respectively during the year as compared to previous year. The sectors such as Manufacturing and Electricity registered a healthy growth rate of 5.7% and 7.2% though they are less than previous year. Considering many reforms implemented during the year and initial adjustment period, the overall economic growth is considered as significant. The per capita income has also grew at 5.4% , though marginally lower than the previous year growth rate of 5.7%, but a reasonably good growth rate. According to the recent IMF report, the Indian Economy growth for the next two years is expected to be higher at 7.4% in 2018-19 and 7.8% in 2019-20 , which is much higher than the expected economic growth of other Asian countries.

The Indian economy has continued good performance on inflation front, registering an increase in Consumer Price Index (CPI) at 4.28 % as on March 2018 against 3.89% at the end of March 2017, which is marginally higher. This less than 5% inflation rate is expected to improve private consumption growth in 2018-19 also , leading to sound economic growth. With the introduction of GST, the Indian economy is expected to grow further in 2018-19 and is expected to improve the overall tax collections in future. Continuous implementation of people oriented schemes such as UJWAL, Swachh Bharat, Give It Up, and Direct Transfer of Benefits, are expected to improve the quality of living conditions for many BPL families, bringing them into main stream of economy.

Energy Scenario

As per BP Energy Outlook 2018, continuous growth in the world economy is expected in the future, driven by increasing prosperity in fast-growing emerging economies. Also, the world population, which is one of the driving factors for energy demand growth, is expected to increase by 170 crore by 2040 and reach 920 crore. While technological changes such as increasing use of Electric cars and focus on energy efficiency will have downward impact on energy demand, the overall growth in primary energy demand is expected to be strong at 1.3% per annum till 2040. In absolute terms, the demand for primary energy is expected to increase from 13276 MTOE at present to 17983 MTOE by 2040, as additional demand of 4707 MTOE. Creation of necessary infrastructure to generate such a huge quantity of energy is a challenging task and needs huge investment.

As per the projections, the demand for world crude oil is expected to increase from 4336 MTOE at present to 4836 MTOE while the demand for Natural Gas is expected to increase from 3204 MTOE at present to 4707 MTOE by 2040, making Natural Gas as the second best fuel and almost equally as important as oil. Together, demand for Oil and Gas account for 53% of expected total energy consumption by 2040. The demand for world Coal is expected to remain stagnant at 3732 MTOW, dropping it's share in primary energy to 21% from 28%. This was mainly on account of environmental concerns due to emissions for coal based power plants.

On the other hand, the renewable energy is expected to gain importance as the demand for these fuels, especially solar power, is likely to increase 5 fold from the current level of 502 MTOE to 2527 MTOE by 2040 and its share in the overall demand will reach 14% making it as a critical energy input in the future. On the end user sector front, the industry sector will continue to be the highest contributor (44%) for energy demand followed by the buildings sector (30%) in future. The transport sector will contribute 19% of energy consumption in future. In spite of expected increase in demand for electric cars and CNG, oil is expected to continue to be a major source of fuel for transport sector especially for non-road and trucks accounting for majority of growth.

The Indian crude oil basket price experienced downward trend in the initial period of 2017-18 from $52.49/bbl in April 2017 to $47.86/bbl in July 2017. Thereafter, the prices registered an upward momentum reaching the crude price of $63.8/bbl by March 2018. The average Indian basket crude oil price for the year 2017-18 was $56.43/bbl which is higher than the previous year price of $47.56/bbl. The prices of crude oil are expected to be higher during 2018-19 due to supply restrictions by OPEC countries and Geo-political situation prevalent subsequent to re-imposing the restrictions on Iran by United States. However, the availability of crude is likely to improve due to resumption in shale oil production by United States as the crude oil prices are attractive at present. The increased availability may arrest further increase in crude oil price and stabilise at the current level for the year.

Refining Industry and Oil Market Developments

As per BP Energy Outlook 2018, with increasing prosperity in developing economies, the global oil consumption is expected to increase for the next two decades and reach 109 MB/d by 2040. It is expected that most of the demand growth is likely to come from emerging economies – China and India contributing equally for the growth.

As per PPAC data, the petroleum products consumption in India has increased from 194.6 MMT in the year 2016-17 to 204.9 MMT in 2017-18, registering a growth rate of 5.3%, whereas the production of petroleum products has increased from 243.5 MMT in 2016-17 to 254.4 MMT in 2017-18, a growth rate of 4.5%. The refining capacity has increased from 230.5 MMT as on March 2017 to 247.6 MMT during the year 2017-18 due to expansion of refining capacity by Reliance Industries at SEZ, BPCL Kochi Refinery and Bathinda Refinery. There is also increase in crude oil processed in Indian Refineries from 245.4 MMT in 2016-17 to 251.9 MMT in 2017-18. With nearly stagnant crude oil production in India, the Indian refineries continue to depend on crude oil imports from other countries. However, the natural gas production has registered a marginal increase from 31.9 BCM in 2016-17 to 32.6 BCM in 2017-18. The overall natural gas consumption in India also has increased to 58.1 BCM during the year as compared to 55.5 BCM in the previous year.

Opportunities and Challenges

As per the Report of the Working Group on Enhancing Refining Capacity by 2040, the refining capacity is expected to increase from the current level of 247.6 MMT to 438.7 MMT by 2030, providing an opportunity for creation of new refining capacity in India in the immediate future. In line with the projections and to meet the ever growing energy needs in the State of Tamilnadu and in other states, CPCL is planning to set up a 9.0 MMTPA refinery with necessary secondary processing facilities and infrastructure at its existing Cauvery Basin Refinery in Tamilnadu. In principle approval has been obtained and the Detailed Feasibility Report is under preparation.

As per the energy trends outlined above, natural gas is likely to become as important as oil in meeting the energy requirements of industry and other sectors. To utilise these opportunities, CPCL has undertaken a project to utilise natural gas as an internal fuel replacing the existing liquid fuels such as fuel oil and naphtha, at an estimated cost of Rs. 421 crore. In addition to improving profitability, implementation of this project will also result in better environment conditions and improves flexibility in processing additional high sulphur crudes thus enhancing crude oil supply security. With expected commissioning of LNG from IOCL's Ennore terminal during 2018-19, natural gas is expected to be available for CPCL and implementation of the RLNG project will be carried out in phases starting from November 2018.

CPCL is continuously exploring the possibility of generating new products from the existing facilities. As a part of this, CPCL has produced one batch of Micro Crystalline Wax (MCW) which has been successfully marketed. It is now proposed to increase the production of MCW during 2018-19 and increase the value addition for the company in addition to reducing the import of MCW.

CPCL strongly believes in Sustainable Development initiatives and accordingly have taken many initiatives. The company has identified a number of energy conservation schemes that resulted in reduction in energy savings by 11000 SRFT during 2017-18. More number of energy conservation schemes are identified and are under implementation which are expected to contribute further reduction in energy consumption which will benefit both the profitability and environment. Further, CPCL also has undertaken various measures to increase water availability from the existing level of 8.0 MGD to 9.5 MGD to ensure continuous water availability in a reliable manner and also reduce dependency on external sources. In addition, CPCL also is increasing the capacity of Power and Utilities to improve the availability of these resources for better reliability.

With expected significant growth opportunities in renewable sources of energy sector, CPCL is planning to set up 70 MW Solar power generation units in a phased manner. In addition, CPCL is also planning to put up roof top solar facilities in some of the Administration buildings at Manali refinery to increase solar power usage in refinery operations.

Risks and Concerns

CPCL has developed a well defined Risk Management Policy Framework that enables the company to identify the risks and concerns including the possible mitigation measures. These risks are monitored periodically and mitigation measures are modified as per the requirements. Major risks and concerns identified include possible disruptions in crude supply due to geo political conditions, disruptions in port operations, ageing of existing crude oil pipeline, variations in crude and product prices, changes in specification of auto-fuel quality to BS -VI standards, MARPOL specifications for fuel oil, non availability of water and market dynamics.

Insecurity of crude supply

Security in Crude supply is essential for continuous operation and profitability of Manali Refinery. 85% of CPCL's crude supply requirements is met through imports and the balance is allocated from indigenous sources. In order to reduce the crude supply security risk, term contracts mainly with the Government oil companies from different parts of the world were finalised to meet the crude requirement in a reliable manner. In addition, the crude basket of CPCL is also increased continuously by identifying new crudes that can be processed in the existing refining facilities. During the previous year, CPCL processed two new crudes and expanded the crude basket further. At present CPCL has around 90 crude oils in crude selection basket and thus have capability to enable crude procurement from multiple sources. It is also planned to process two new crudes during the year 2018-19 to further increase the crude basket of CPCL. The company also has the option to secure crude supply from Indian Strategic Petroleum Reserves created at Visakhapatnam, Mangalore and Padur in the event of any emergency.

Safety and Security

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

Implementation of BS-VI specification for MS and HSD

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

Internal Control Systems and their Adequacy

The Directors' Report has adequately dealt with this subject.

Financial Performance

The Directors' Report has adequately dealt with this subject.

Operational Performance

The Directors' Report has adequately dealt with this subject.

Material Developments and Human Resources / Industrial Relations

The Directors' Report has adequately dealt with this subject.

Cautionary Statement

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

Business Responsibility Report (BRR) 2017-18 ANNEXURE - VI

<table>
<tr><th>Sl.</th><th>Query</th><th>Response</th></tr>
<tr><td></td><td>Section A: General Information about the Company</td><td></td></tr>
<tr><td>1.</td><td>Corporate Identity Number (CIN)</td><td>L40101TN1965GOI005389</td></tr>
<tr><td>2.</td><td>Name of the Company:</td><td>CHENNAI PETROLEUM CORPORATION LIMITED</td></tr>
<tr><td>3.</td><td>Registered Address</td><td>Chennai Petroleum Corporation Limited; No.536, Anna Salai, Teynampet, Chennai- 600018</td></tr>
<tr><td>4.</td><td>Website</td><td>www.cpcl.co.in</td></tr>
<tr><td>5.</td><td>Email id</td><td>sld@cpcl.co.in</td></tr>
<tr><td>6.</td><td>Financial Year reported</td><td>2017-18</td></tr>
<tr><td>7.</td><td>Sector(s) that the Company is engaged in (industrial activity code-wise):</td><td>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.
<table>
<tr><th>Group</th><th>Class</th><th>Sub-Class</th><th>Description</th></tr>
<tr><td rowspan="4">192</td><td rowspan="4">1920</td><td>19201</td><td>Production of liquid and gaseous fuels, illuminating oils or greases or other products from crude petroleum or bituminous minerals</td></tr>
<tr><td>19202</td><td>Manufacture of paraffin wax</td></tr>
<tr><td>19203</td><td>Bottling of LPG/CNG</td></tr>
<tr><td>19209</td><td>Manufacture of other petroleum n.e.c (includes manufacture of petroleum jelly, micro-crystalline petroleum slack wax, ozokerite, lignite wax, petroleum coke, petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous minerals)</td></tr>
</table>
</td></tr>
<tr><td>8.</td><td>List three key products / services that the Company manufactures / provides (as in balance sheet):</td><td>HSD, MS & ATF</td></tr>
<tr><td>9.</td><td>Total number of locations where business activity is undertaken by the Company:</td><td>5</td></tr>
<tr><td></td><td>(i) Number of International locations:</td><td>NIL</td></tr>
<tr><td rowspan="3"></td><td rowspan="3">(ii) Number of National locations: (as on 31.03.2018)</td><td>Operating Refineries: 2</td></tr>
<tr><td>Manali Refinery , Manali, Chennai- 600068. Cauvery Basin Refinery, Panangudi Village, Nagapattinam District, Tamilnadu.</td></tr>
<tr><td>Wind Power Project: 1 (Pushpathur , Tamilnadu)</td></tr>
<tr><td>10.</td><td>Markets served by the Company-Local /State/National/International</td><td>National</td></tr>
</table>

	Section B: Financial Details of the Company	
1.	Paid up capital (INR)	Rs.149 crore (as on 31.03.2018)
2.	Total turnover (INR):	Rs. 44,135 crore (for FY 2017-18)
3.	Total profit after taxes (INR):	Rs.913 crore (for FY 2017-18)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	The Company contributes to the CSR activities as per the provisions of the Companies Act 2013. A sum of Rs. 918.18 Lakhs was spent during the year 2017-18 for various CSR & SD Projects.
5.	List of activities in which expenditure in 4 above has been incurred:	The broad areas, where the expenditure is incurred are towards Health, Education, Swachh bharat activities, Distribution of appliances for disabled etc
	Section C: Other Details	
1.	Does the Company have any Subsidiary Company/ Companies?	NIL
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not applicable
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No other entities with which the company does business participate in the BR initiatives of the company.

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Ethics	Products & Services	Employees	Stakeholders Engagement	Human Rights	Environment	Public Policy	Inclusive Growth / CSR	Customer
Do you have policy / policies for………………	Yes								
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?	https://www.cpcl.co.in/policies								
Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
Does the company have in-house structure to implement the policy/ policies?	Yes								
Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy / policies?	Yes								
Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Policies are constantly monitored and reviewed from time to time.								

3.	Governance related to BR:	
	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company: Within 3 months, 3-6 months, Annually, More than 1 year.	Various principles of BR performance constitute an integral part of the day to day operations of the Company and the same are reviewed by the Board / Committee of the Board from time to time.
	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, CPCL publishes Corporate Sustainability Report annually. Sustainability Report 2016-17 can be accessed from the following link:https://www.cpcl.co.in/corporate governance. The Business Responsibility Report will be published as a part of the Annual Report for the year 2017-18 and the same will be uploaded in the website viz., www.cpcl.co.in/AnnualReports.
	Section E: Principle-wise performance	
1.	**Principle 1**	
	1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	Yes. The Company has in place adequate measures and controls to address issues relating to ethics, bribery and corruption in the context of appropriate policy guidelines issued by the Government from time to time. The policy relating to ethics, bribery and corruption covers the company as well as its business partners.
	2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The Company received 1023 complaints from the shareholders during the year 2017-18, which were subsequently resolved.
	Other complaints during the year	One complaint was received under the Integrity Pact (IP) with regard to tenders floated by the Company during the year and the same was resolved.
		Moreover, during the year, 6 complaints were received and disposed through Public Grievance Redressal system in satisfaction of both the parties.

2.	**Principle 2**	
	1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Over the years, the Company has spent more than Rs. 4000 crore towards quality improvement of its transportation fuels, namely Motor Spirit (MS) & High Speed Diesel (HSD), which constitute two of its major products from Manali Refinery. Further, in order to supply BS-IV grade Diesel from Manali Refinery, the company has spent about Rs. 310 Crore. CPCL is also implementing a project to produce MS & HSD meeting BS–VI quality norms at an estimated cost of about Rs. 1858 Cr.
		CPCL's R&D centre has carried out the following initiatives: 1. A Pilot plant Study has been completed on production of Low Sulphur Kerosene by adsorptive desulphurization technique. 2. A collaborative project has been initiated for Recovery of hydrocarbon from crude sludge via microwave-assisted pyrolysis with IIT-M, Chennai. 3. A research project, funded by CHT, on "Cultivation of Algae in Raceway Ponds and Production of Renewable crude & liquid hydrocarbon fuels from algae" is under progress. 4. Lab scale study was done for the production of environment friendly Low Poly Aromatic Hydrocarbons Rubber Process Oil (Low PAH RPO) These initiatives helps the Company to meet the stringent environmental norms.
	List of 3 such products	List of such products or services: At present, CPCL is supplying 100% BS – IV MS & HSD. We also have the following future targets: ◆ 100% BS – VI MS & HSD; From 01.04.2020. Majority of the fuel products produced by CPCL are being marketed by Indian Oil Corporation Limited, the holding company.

	2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Lower negative impact on Environment: Supply of low-Sulphur transportation fuels (petrol & diesel) and alternate fuels have led to fossil-fuel substitution and relatively lower negative impact on the environment. At present, maximum sulphur content in CPCL's BS-IV petrol & diesel is as low as 50 ppm. The sulphur content of these products would be further reduced to less than 10 ppm by 1st April 2020, when the company would be supplying 100 % BS – VI MS & HSD. Efficiency in crude oil sourcing & vessel utilization: Opening crude inventory for FY 2017-18 was 19.5 days and the closing inventory was 21.6 days, which is less than the desirable level of about 23 days. Against MoU throughput of 10300 TMT, CPCL achieved 10789 TMT in 2018-19 and CPCL was able to procure additional crude to meet the increased processing requirement, while keeping the inventory under control.
		Energy Conservation: i) The following major Encon measures were undertaken in 2017-18: a) Utilizing Light Neutral r/d at 220 C for CDU I crude preheat improvement b) PDA propane and asphalt mixture preheat improvement by utilizing hot tempered water c) CDU II & III Gas Oil stripper steam reduction d) DHDS steam turbine modification from complete condensation to partial extraction e) Plant 10 & 13 separator pressure control implementation thereby reduction of hydrogen consumption f) Plant 13 stripper steam reduction g) Shutdown of Cooling tower 3 h) VR pump modification in CDU III leading to power savings i) 5th dilution modification in Plant 9 resulting in stoppage of solvent pump j) High heat loss lines were identified through field thermal survey, and insulation was strengthened to minimize heat loss The above measures resulted in an estimated savings of about 11000 SRFT/annum (0.11% savings on Fuel & Loss).

	3. Does the company have procedures in place for sustainable sourcing (including transportation)?	Yes.
	i. If yes, what percentage of your inputs was sourced sustainably?	Oil & Gas sector is particularly vulnerable to sectoral threats like depletion of resources and geo-political uncertainties. The Company has long and short term contracts in place for its crude oil procurement. Moreover, the Company has diversified its global fuel sourcing centers. Further, efforts are put for optimization of crude basket and to minimize inventories. About 20% is sourced through indigenous sources, 80% imported, through long term & short term firm contracts.
		Company has implemented e-Tendering, e- Procurement and e-Payment. A progress of 96% in Materials Procurement and 100% in Works Contracts was achieved in 2017-18 . 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 for MSMEs , CPCL achieved a target of 23.3% of the total procurement / service excluding Crude and Natural gas, which is higher than the 20% target set for annual procurement from MSEs and 0.68% was achieved against the sub-target of 4% for procurement earmarked for enterprises owned by SC/ST entrepreneurs and the remaining 3.32% of 4% by way of procurement from other micro and small enterprises in line with the policy. Several initiatives were undertaken to identify the entrepreneurs for procurement of goods and services from MSEs owned by SC/ST enterprises by way of conducting vendor development programmes.
	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.	Yes. 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 92.5% of treated effluent was reused in refinery operations and 5105 MT of oily sludge was treated for oil recovery.

3.	**Principle 3**	
	1. Please indicate the Total number of employees.	Total number of employees as on 31.03.2018 is 1709.
	2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.	• No persons are working as casual laborers/temporary workers. • CPCL awarded job contracts to contractors at its various locations for several ongoing projects as well as for operational needs. The contractors, in turn, engaged approx 4300 contract workers during the year. CPCL, as a principle employer, ensures that all statutory requirements are duly complied with.
	3. Please indicate the Number of permanent women employees.	Total number of permanent women employees as on 31.3.2018 is 87.
	4. Please indicate the Number of permanent employees with disabilities.	There are 34 permanent employees with disabilities.
	5. Do you have an employee association that is recognized by management?	Yes. Chennai Petroleum Employees' Union (CPEU) represents the non-executive employees and Chennai Petroleum Officers' Association (CPOA) represents the executives. Both are recognized by the Management.
	6. What percentage of your permanent employees is members of this recognized employee association?	Over 90% of the employees (non-executives and executives) are members of the recognized union and officers' association.
	7. Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial yr and pending, as on the end of the financial yr.	As given below:

Sl. No.	Category	No. of complaints filed during 2017-18	No. of complaints pending as on end of the financial yr
1.	Child labour / forced labor / involuntary labor	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

	8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	<table><tr><th></th><th>% of employees given safety & skill up-gradation training during 2017-18</th></tr><tr><td>Permanent Male employees</td><td>65%</td></tr><tr><td>Permanent Women Employees</td><td>55%</td></tr><tr><td>Permanent Employees with Disability</td><td>0%</td></tr><tr><td>Casual/Temporary/ Contractual Employees / Contract labor</td><td>85%</td></tr></table>
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 2017-18, CPCL has spent an amount of Rs 918.18 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. Out of the total manpower, there were 394 SC employees (previous year : 392) and 42 ST employees (previous year :38) constituting 23.05% and 2.45% of the total manpower respectively.
5.	**Principle 5**	
	1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The policy of the company covers human right principles. As a part of the commitment towards meeting its societal needs, CPCL believes in safeguarding human rights within its sphere of influence.
	2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaint on human rights violations was received during 2017-18

6.	Principle 6	
	1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.	The policy on Health, Safety and Environment (HSE) covers the Company only. CPCL is committed to conduct business with a strong environmental conscience ensuring sustainable development, safe work places and enrichment of quality of life of employees, customers and the community residing in the neighbourhood of its refineries in Manali and Cauvery Basin in Nagapattinam.
	2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes. Company's Policy on Sustainable Development encompasses environmental, social and economical aspects of the entire business operations and identifies roles and responsibilities of various departments to achieve goals of sustainable development. The Board Committee on CSR & Sustainable Development is the apex body to plan strategies and monitor Sustainable Development initiatives. Corporate Sustainability Report is published annually which gives a full account of all Sustainable Development initiatives, environmental, social and economical performances of the Company The objectives of the company including best practices on Safety, Health and Environment Management System can be accessed through the link https://www.cpcl.co.in/safety
	3. Does the company identify and assess potential environmental risks? Y/N	Yes. Regular assessment of the environmental risks associated with refinery operations is carried out on yearly basis. Environmental risk assessment is carried out for every project before the project is executed, as a mandatory requirement for statutory clearance.
	4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	The Company does not have any project, related to Clean Development Mechanism.
	5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes. CPCL is continuously striving for adopting new initiatives and is a pioneer in renewable energy in oil sector. a) Solar Energy: CPCL currently operates three roof top solar photovoltaic (PV) installations viz., 150 KW at CPCL CBR Refinery, 20 KW at CPCL Corporate office and 25 KW at CPCL Polytechnic, In addition, CPCL is exploring the possibility of increasing solar power capacity in future.

		b) Wind Energy: CPCL commissioned 22 wind mills with an installed capacity of 17.6MW at Pushpathur, TamilNadu in the year 2007 and has been generating wind energy since then successfully. The power generated from the Windmill is being used to meet the energy requirement of CPCL's Desalination plant through wheeling arrangement with TNEB
	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 2017-18 are as follows: CPCB: 1.CPCB issued notice under section 5 for non compliance of stack/Effluent connectivity with CPCB, New Delhi. The same was complied and revoked. 2.NGT: CPCB filed a case in NGT towards non-compliance of notice served under section 5 (non closure of unit) and the case is under hearing. TNPCB: Show cause notice served for two plants namely GTG & TTP towards delay in CTO renewal online application: Reply given by CPCL: Consent Fee for the year 2017-18 was paid and online application submitted as per stipulation. Further, due to delay in scrutiny of online application, consent fee for the year 2018-19 was also remitted and online application submitted. The CTO renewal application is being processed by TNPCB.
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) Federation of Indian Petroleum Industry (FIPI)	National
c) Confederation of Indian Industry	National
d) Standing Conference of Public Enterprises (SCOPE)	National
e) Madras Chamber of Commerce & Industry (MCCI)	National
f) Global Compact Network (GCN)	National
g) Manali Industries Association (MIA)	National

	2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes, In association with various national bodies, the Company actively participates and firms up opinions on Industry related issues which have significant impact on public policy. CPCL is a member of UN Global Compact Network and extends support in implementing the ten guiding principles in United Nations agenda on human rights, labour standards, environment and anti-corruption.
8.	**Principle 8**	
	1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. The scheme-wise list of CSR&SD activities are given below

(Rs. In Lakhs)

Sl.No	CSR PROJECT	Amount Spent
1	Running of 4 Community Health Care Centers	47.14
2	Fully Automated Analyzer – Nephrology Dept – Govt General Hospital (MMC)	12.51
3	Facilities for National Pulse Polio Programme	3.37
4	Equipments for Paediatric Emergency Dept. – Institute of Child Health, Egmore	21.62
5	Request for Ventilators and Dementia Care Centre – Neurology Dept., Govt General Hospital (MMC)	20.39
6	Medical Camps	11.22
7	Providing Computers for Govt. Schools / Colleges (CBR)	9.91
8	Contribution to CPCL Educational Trust for Maintenance of Polytechnic College.	25.00
9	Contribution to CPCL Educational Trust for Building / Equipment of Polytechnic	35.00
10	Library Books to Govt. Schools / Colleges	10.04
11	Providing Furniture, Fans, etc.for Govt.Schools(CBR)	10.38
12	Skill Development Course (Graphic Design)	5.04
13	Scholarships to Meritorious students of Govt.Schools	10.12
14	PG Diploma in Computer Course thru TN Association of Blind	2.00
15	Maintenance of School Toilets /School premises (Chennai)	57.00
16	Maintenance of School Toilets (CBR)	6.47
17	Contribution for Construction of Community Toilets-Request from Chennai Corporation (Manali)	20.00
18	Donation to Swachh Bharat Kosh & Clean Ganga Fund	62.00
19	Swachh Bharat Campaign & Awareness programme	41.56
20	Construction of Model Toilets (part of Vivekananda Park proposal) / Swachh Heritage place	50.00

(Rs. In Lakhs)

Sl.No	CSR PROJECT	Amount Spent
21	Contribution to Chennai Corporation(Manali) for construction of toilets under IHHL Scheme	15.53
22	Contribution to Chennai Corporation(Thiruvotriyur) for construction of toilets under IHHL Scheme	35.00
23	Contribution to Chennai Corporation (Madhavaram) for Construction of Waste Source Segregation Centres	27.00
24	Renovation of School Toilet / Building & Swachh Bharat Vehicle (CBR)	30.62
25	Swachh Indhan (LPG Connection) to 3000 BPL families	91.61
26	Construction of Model Toilets at Sri Sarada Niketan College of Science for Women	10.00
27	Construction of Vivekananda Park near Vivekananda House	80.00
28	Construction of Community Hall at Gopurajapuram Village	15.06
29	Construction of Library cum Waiting lobby at Sri Sarada Niketan College of Science for Women	40.00
30	Creche at Manali	2.49
31	Tailoring Courses for Girl / Women	1.01
32	Contribution to National Sports Development Authority	10.00
33	Contribution to Sports Authority of India	5.00
34	Sponsorship of National/State Level Sports event in TN	4.66
35	Drinking Water at Sooranur (CBR)	14.94
36	Borewell at Institute of Mental Health, Kilpauk	6.00
37	Assistive devices for Differently abled through ALIMCO	34.16
38	Support during Natural Calamities and livelihood projects for downtrodden	30.91
39	Evaluation of CSR & SD Activities for 2016-17	1.40
40	Toys/ learning tools for 10 nos. Anganwaadi run by Govt of Tamilnadu under the ICDS	2.00
	TOTAL	**918.18**

	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. Some activities like running Health Centres at Manali, Periyasekkadu and Thirunillai and running of Creche at Manali are entrusted to External agencies like Rotary Club, Lions Club, etc. Activities like Construction of Vivekananda park and Construction of Library at Karur are implemented by requesting organization while some activities like construction of community toilets, constructions of IHHLs, construction of source segregation sheds are executed by Chennai Corporation. Further some activities like distribution of aids/ appliances for disabled, LPG connections to BPL families are executed in collaboration with other PSUs.

	3. Have you done any impact assessment of your initiative?	Yes. The evaluation of CSR activities for the year 2016-17 including impact assessment was carried out by Madras School of Social Work and they had concluded that the CSR activities of CPCL are highly beneficial to the society.
	4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	Please refer reply to Qn.No.1 of Principle 8
	5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes. Various social welfare initiatives viz. healthcare, education and scholarships, skill development programs, provision of drinking water, LPG Connections to BPL families, distribution of aids / appliances to disabled, sanitation, Swachh bharat activities, etc. are undertaken with focus on the economically and socially deprived sections of society, mostly in its refineries in Manali and Cauvery Basin, Nagapattinam.
9	**Principle 9**	
	1.What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	No customer complaints are pending as on 31.03.2018. (12 complaints were received and resolved during the Financial Year 2017-18).
	2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)	Yes. Our specialty products namely Food Grade Hexane and Paraffin Wax (All grades) follow Bureau of Indian Standards (BIS) guidelines for product information and labelling. Specification of Feedstock and other products are supplied to downstream industries/other Industries are firmed up and agreed between Buyer and Seller).
	3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	Nil.
	4. Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes. Besides regular customer engagement initiatives, the Company conducts consumer survey / market feedback to improve upon deliverables to meet customer expectations.

ANNEXURE - VII

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

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

To,

The Members,

Chennai Petroleum Corporation Limited

No 536, Anna Salai, Teynampet,

Chennai 600 018

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2018, has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 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

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

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

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

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

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

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

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

We report that, during the period under review:

a. The earlier outstanding dividend payable to Naftiran Inter-trade Company Limited (NICO) for the financial year 2015-16 amounting to Rs.9,17,31,600/-, which could not be remitted due to non-availability of banking channels on account of US/EU sanctions against Iran, was remitted to NICO on 26.10.2017 in Euro Currency through IndusInd Bank.The dividend for the financial year 2016-17 amounting to Rs.48,15,90,900/- was also remitted to NICO on 03.11.2017 in Euro Currency through IndusInd Bank, the Dividend Banker for the financial year 2016-17.

b. The company has complied with the requirement of Regulation 17 of SEBI (LODR) Regulation, 2015 with regard to appointment of Woman Director on the Board with the appointment of Mrs.Perin Devi Rao (DIN : 07145051)on 24.11.2017.

c. During the financial year 2017-18, One Separate meeting of Independent Directors was held on 11.10.2017 and the company has complied with the requirement of Regulation 25 (3) of SEBI (LODR) Regulations, 2015.

d. The Nomination & Remuneration Committee has been reconstituted with the induction of two independent directors on 10.04.2017. Effective 10.04.2017, the company has complied with the requirement relating to the composition of Nomination & Remuneration Committee.

We further report that

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

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

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

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

For S Sandeep & Associates

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

Place: Chennai
Date: 11-06-2018

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

'Annexure A'

To,

The Members,

Chennai Petroleum Corporation Limited

No 536, Anna Salai, Teynampet,

Chennai 600 018

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

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

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

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

4. Wherever required, we have obtained the Management representation/ clarification on the methodology of compliance with the applicable laws, rules and regulations and happening of events etc.

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

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

For S Sandeep & Associates

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

Place: Chennai
Date: 11.06.2018

ANNEXURE - VIII

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended 31.03.2018
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I REGISTRATION & OTHER DETAILS:

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

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	HSD		53.91%
2	MS		16.65%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

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

CHENNAI PETROLEUM CORPORATION LIMITED
MGT 9 (IV) (i) Category - Wise Share Holding Between 31/03/2017 AND 31/03/2018

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2017				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2018				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL	DEMAT	PHYSICAL	TOTAL	% OF TOTAL	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	**PROMOTER AND PROMOTER GROUP**									
(1)	INDIAN									
(a)	Individual /HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	77265200	0	77265200	51.89	77265200	0	77265200	51.89	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	**77265200**	**0**	**77265200**	**51.89**	**77265200**	**0**	**77265200**	**51.89**	**0.00**
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	22932900	0	22932900	15.40	22932900	0	22932900	15.40	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	**22932900**	**0**	**22932900**	**15.40**	**22932900**	**0**	**22932900**	**15.40**	**0.00**
	Total A=A(1)+A(2)	**100198100**	**0**	**100198100**	**67.29**	**100198100**	**0**	**100198100**	**67.29**	**0.00**
(B)	**PUBLIC SHAREHOLDING**									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	3015920	9000	3024920	2.03	8746388	5800	8752188	5.88	3.85
(b)	Financial Institutions /Banks	9417705	100	9417805	6.32	7124976	100	7125076	4.78	-1.54
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	19269551	4200	19273751	12.94	15882459	2900	15885359	10.67	-2.28
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	**31703176**	**13300**	**31716476**	**21.30**	**31753823**	**8800**	**31762623**	**21.33**	**0.03**

CHENNAI PETROLEUM CORPORATION LIMITED
MGT 9 (IV) (i) Category - Wise Share Holding Between 31/03/2017 AND 31/03/2018

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2017				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2018				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL	DEMAT	PHYSICAL	TOTAL	% OF TOTAL	
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	2763818	21400	2785218	1.87	2579763	16200	2595963	1.74	-0.13
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	7916287	1184573	9100860	6.11	8521310	935264	9456574	6.35	0.24
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	3753115	0	3753115	2.52	3274356	0	3274356	2.20	-0.32
(c)	**Others**									
	CLEARING MEMBERS	123040	0	123040	0.08	290465	0	290465	0.20	0.11
	FOREIGN NATIONALS	0	0	0	0.00	100	0	100	0.00	0.00
	I E P F	0	0	0	0.00	303281	0	303281	0.20	0.20
	NBFC	124527	0	124527	0.08	5609	0	5609	0.00	-0.08
	NON RESIDENT COMPANIES	0	600	600	0.00	0	300	300	0.00	0.00
	NON RESIDENT INDIANS	355793	597400	953193	0.64	402514	489700	892214	0.60	-0.04
	NRI NON-REPATRIATION	89790	0	89790	0.06	119495	0	119495	0.08	0.02
	TRUSTS	66281	200	66481	0.04	12120	200	12320	0.01	-0.04
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	15192651	1804173	16996824	11.41	15509013	1441664	16950677	11.38	-0.03
	Total B=B(1)+B(2) :	46895827	1817473	48713300	32.71	47262836	1450464	48713300	32.71	0.00
	Total (A+B) :	147093927	1817473	148911400	100.00	147460936	1450464	148911400	100.00	0.00
(C)	Shares held by custodians, against which									
	Depository Receipts have been issued									
(1)	Promoter and Promoter Group									
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	**147093927**	**1817473**	**148911400**	**100.00**	**147460936**	**1450464**	**148911400**	**100.00**	

CHENNAI PETROLEUM CORPORATION LIMITED
SHAREHOLDING PATTERN OF PROMOTERS HOLDINGS BETWEEN 31/03/2017 AND 31/03/2018

					Shareholding at the beginning of the Year					Cumulative Shareholding during the Year	
Slno	Folio/Dp id-Client id	Category	Type	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
1	AAACI1681G	IOC	Opening Balance	INDIAN OIL CORPORATION LIMITED	77265200	51.89	31/03/2017			77265200	51.89
			Closing Balance				31/03/2018			77265200	51.89
2	AADCN0259L	NIT	Opening Balance	NAFTIRAN INTER TRADE COMPANY LTD	22932900	15.40	31/03/2017			22932900	15.40
			Closing Balance				31/03/2018			22932900	15.40

CHENNAI PETROLEUM CORPORATION LIMITED
SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2017 AND 31/03/2018

					Shareholding at the beginning of the Year					Cumulative Shareholding during the Year	
Slno	Folio/Dp id-Client id	Category	Type	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
1	AAACL0582H	IFI	Opening Balance	LIC OF INDIA PROFIT PLUS GROWTH FUND	4768429	3.20	31/03/2017			4768429	3.20
			Sale				03/11/2017	-30000	Transfer	4738429	3.18
			Sale				10/11/2017	-342582	Transfer	4395847	2.95
			Sale				17/11/2017	-58182	Transfer	4337665	2.91
			Sale				24/11/2017	-483381	Transfer	3854284	2.59
			Sale				01/12/2017	-245317	Transfer	3608967	2.42
			Closing Balance				31/03/2018			3608967	2.42
2	AAACN4165C	IFI	Opening Balance	THE NEW INDIA ASSURANCE COMPANY LIMITED	2765072	1.86	31/03/2017			2765072	1.86
			Sale				28/07/2017	-255991	Transfer	2509081	1.68
			Sale				04/08/2017	-166645	Transfer	2342436	1.57
			Sale				11/08/2017	-120000	Transfer	2222436	1.49
			Sale				18/08/2017	-57364	Transfer	2165072	1.45
			Closing Balance				31/03/2018			2165072	1.45
3	AAATB0102C	MUT	Opening Balance	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C	2686128	1.80	31/03/2017			2686128	1.80
			Purchase				07/04/2017	172500	Transfer	2858628	1.92
			Purchase				14/04/2017	95000	Transfer	2953628	1.98
			Purchase				28/04/2017	115000	Transfer	3068628	2.06
			Sale				28/04/2017	-120000	Transfer	2948628	1.98
			Purchase				05/05/2017	100000	Transfer	3048628	2.05
			Sale				05/05/2017	-380000	Transfer	2668628	1.79
			Purchase				26/05/2017	198200	Transfer	2866828	1.93
			Purchase				02/06/2017	198000	Transfer	3064828	2.06
			Purchase				09/06/2017	22000	Transfer	3086828	2.07
			Purchase				16/06/2017	444000	Transfer	3530828	2.37
			Purchase				23/06/2017	288000	Transfer	3818828	2.56
			Purchase				07/07/2017	120000	Transfer	3938828	2.65
			Sale				07/07/2017	-319000	Transfer	3619828	2.43
			Purchase				14/07/2017	596300	Transfer	4216128	2.83
			Sale				14/07/2017	-55000	Transfer	4161128	2.79
			Purchase				28/07/2017	530000	Transfer	4691128	3.15
			Purchase				04/08/2017	41400	Transfer	4732528	3.18
			Sale				04/08/2017	-150000	Transfer	4582528	3.08

CHENNAI PETROLEUM CORPORATION LIMITED
SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2017 AND 31/03/2018

					Shareholding at the beginning of the Year					Cumulative Shareholding during the Year	
Slno	Folio/Dp id-Client id	Category	Type	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
			Purchase				11/08/2017	530000	Transfer	5112528	3.43
			Sale				11/08/2017	-14000	Transfer	5098528	3.42
			Purchase				18/08/2017	330000	Transfer	5428528	3.65
			Purchase				25/08/2017	150000	Transfer	5578528	3.75
			Purchase				01/09/2017	315500	Transfer	5894028	3.96
			Purchase				08/09/2017	360000	Transfer	6254028	4.20
			Sale				08/09/2017	-75000	Transfer	6179028	4.15
			Sale				15/09/2017	-455000	Transfer	5724028	3.84
			Purchase				29/09/2017	32000	Transfer	5756028	3.87
			Purchase				20/10/2017	31000	Transfer	5787028	3.89
			Sale				03/11/2017	-72000	Transfer	5715028	3.84
			Purchase				01/12/2017	119000	Transfer	5834028	3.92
			Purchase				15/12/2017	100000	Transfer	5934028	3.98
			Purchase				29/12/2017	242000	Transfer	6176028	4.15
			Purchase				05/01/2018	118000	Transfer	6294028	4.23
			Sale				05/01/2018	-92000	Transfer	6202028	4.16
			Purchase				26/01/2018	215000	Transfer	6417028	4.31
			Purchase				16/02/2018	113000	Transfer	6530028	4.39
			Purchase				02/03/2018	13500	Transfer	6543528	4.39
			Purchase				09/03/2018	17600	Transfer	6561128	4.41
			Purchase				16/03/2018	199046	Transfer	6760174	4.54
			Closing Balance				31/03/2018			6760174	4.54
4	AAFCG0345N	FPI	Opening Balance	GOLDMAN SACHS (SINGAPORE) PTE	1617904	1.09	31/03/2017			1617904	1.09
			Sale				07/04/2017	-66611	Transfer	1551293	1.04
			Purchase				14/04/2017	7200	Transfer	1558493	1.05
			Sale				21/04/2017	-60593	Transfer	1497900	1.01
			Sale				28/04/2017	-83350	Transfer	1414550	0.95
			Sale				05/05/2017	-137077	Transfer	1277473	0.86
			Sale				12/05/2017	-109767	Transfer	1167706	0.78
			Sale				19/05/2017	-232501	Transfer	935205	0.63
			Sale				26/05/2017	-70557	Transfer	864648	0.58
			Sale				02/06/2017	-34981	Transfer	829667	0.56

CHENNAI PETROLEUM CORPORATION LIMITED
SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2017 AND 31/03/2018

					Shareholding at the beginning of the Year					Cumulative Shareholding during the Year	
Slno	Folio/Dp id-Client id	Category	Type	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
			Sale				09/06/2017	-2904	Transfer	826763	0.56
			Sale				16/06/2017	-7774	Transfer	818989	0.55
			Sale				23/06/2017	-8270	Transfer	810719	0.54
			Sale				30/06/2017	-55872	Transfer	754847	0.51
			Sale				07/07/2017	-20873	Transfer	733974	0.49
			Sale				14/07/2017	-44565	Transfer	689409	0.46
			Sale				21/07/2017	-362737	Transfer	326672	0.22
			Sale				28/07/2017	-100476	Transfer	226196	0.15
			Sale				04/08/2017	-51895	Transfer	174301	0.12
			Sale				11/08/2017	-84492	Transfer	89809	0.06
			Sale				18/08/2017	-82313	Transfer	7496	0.01
			Sale				25/08/2017	-3750	Transfer	3746	0.00
			Sale				01/09/2017	-3746	Transfer	0	0.00
			Purchase				15/09/2017	3138	Transfer	3138	0.00
			Purchase				27/10/2017	345	Transfer	3483	0.00
			Sale				24/11/2017	-3483	Transfer	0	0.00
			Purchase				22/12/2017	3179	Transfer	3179	0.00
			Purchase				29/12/2017	2786	Transfer	5965	0.00
			Sale				12/01/2018	-1267	Transfer	4698	0.00
			Sale				19/01/2018	-3610	Transfer	1088	0.00
			Sale				26/01/2018	-1088	Transfer	0	0.00
			Purchase				09/02/2018	3373	Transfer	3373	0.00
			Sale				16/02/2018	-960	Transfer	2413	0.00
			Sale				23/02/2018	-195	Transfer	2218	0.00
			Purchase				09/03/2018	1883	Transfer	4101	0.00
			Sale				16/03/2018	-3486	Transfer	615	0.00
			Closing Balance				31/03/2018			615	0.00
5	AAACG0615N	IFI	Opening Balance	GENERAL INSURANCE CORPORATION OF INDIA	1500000	1.01	31/03/2017			1500000	1.01
			Sale				16/06/2017	-75000	Transfer	1425000	0.96
			Sale				14/07/2017	-25000	Transfer	1400000	0.94
			Sale				22/09/2017	-50000	Transfer	1350000	0.91
			Sale				22/12/2017	-50000	Transfer	1300000	0.87
			Sale				29/12/2017	-75000	Transfer	1225000	0.82
			Sale				05/01/2018	-90986	Transfer	1134014	0.76
			Sale				12/01/2018	-34014	Transfer	1100000	0.74
			Sale				19/01/2018	-12500	Transfer	1087500	0.73

CHENNAI PETROLEUM CORPORATION LIMITED
SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2017 AND 31/03/2018

					Shareholding at the beginning of the Year					Cumulative Shareholding during the Year	
Slno	Folio/Dp id-Client id	Category	Type	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
			Sale				26/01/2018	-37500	Transfer	1050000	0.71
			Closing Balance				31/03/2018			1050000	0.71
6	AAMCA6207G	FPI	Opening Balance	ACADIAN EMERGING MARKETS SMALL CAP EQUITY FUND LLC	1277758	0.86	31/03/2017			1277758	0.86
			Purchase				11/08/2017	110165	Transfer	1387923	0.93
			Sale				25/08/2017	-212793	Transfer	1175130	0.79
			Sale				22/09/2017	-41719	Transfer	1133411	0.76
			Sale				10/11/2017	-82892	Transfer	1050519	0.71
			Sale				30/03/2018	-26171	Transfer	1024348	0.69
			Closing Balance				31/03/2018			1024348	0.69
7	AADCM5927G	FPI	Opening Balance	MORGAN STANLEY MAURITIUS COMPANY LIMITED	1236375	0.83	31/03/2017			1236375	0.83
			Purchase				07/04/2017	922	Transfer	1237297	0.83
			Sale				26/05/2017	-64118	Transfer	1173179	0.79
			Sale				02/06/2017	-27443	Transfer	1145736	0.77
			Sale				16/06/2017	-10703	Transfer	1135033	0.76
			Sale				23/06/2017	-101353	Transfer	1033680	0.69
			Sale				30/06/2017	-22429	Transfer	1011251	0.68
			Sale				07/07/2017	-10666	Transfer	1000585	0.67
			Sale				14/07/2017	-9994	Transfer	990591	0.67
			Sale				21/07/2017	-127903	Transfer	862688	0.58
			Sale				28/07/2017	-248210	Transfer	614478	0.41
			Sale				04/08/2017	-9200	Transfer	605278	0.41
			Sale				11/08/2017	-326064	Transfer	279214	0.19
			Sale				18/08/2017	-26182	Transfer	253032	0.17
			Sale				25/08/2017	-31824	Transfer	221208	0.15
			Sale				01/09/2017	-60018	Transfer	161190	0.11
			Sale				08/09/2017	-46211	Transfer	114979	0.08
			Sale				15/09/2017	-2083	Transfer	112896	0.08
			Sale				22/09/2017	-42031	Transfer	70865	0.05
			Sale				13/10/2017	-4975	Transfer	65890	0.04
			Sale				17/11/2017	-22756	Transfer	43134	0.03
			Sale				24/11/2017	-22025	Transfer	21109	0.01
			Closing Balance				31/03/2018			21109	0.01

CHENNAI PETROLEUM CORPORATION LIMITED
SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2017 AND 31/03/2018

					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Slno	Folio/ Dpid-Clientid	Category	Type	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
8	AACTA7181L	FPI	Opening Balance	AUSTRALIANSUPER	523800	0.35	31/03/2017			523800	0.35
			Purchase				18/08/2017	14800	Transfer	538600	0.36
			Purchase				25/08/2017	12000	Transfer	550600	0.37
			Purchase				01/09/2017	15600	Transfer	566200	0.38
			Purchase				15/09/2017	62800	Transfer	629000	0.42
			Purchase				17/11/2017	68973	Transfer	697973	0.47
			Purchase				24/11/2017	54556	Transfer	752529	0.51
			Purchase				01/12/2017	16829	Transfer	769358	0.52
			Purchase				08/12/2017	34142	Transfer	803500	0.54
			Closing Balance				31/03/2018			803500	0.54
9	AAATO2984K	FPI	Opening Balance	OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM MANAGED	763575	0.51	31/03/2017			763575	0.51
			Sale				02/06/2017	-22754	Transfer	740821	0.50
			Sale				09/06/2017	-36104	Transfer	704717	0.47
			Sale				23/06/2017	-74076	Transfer	630641	0.42
			Sale				30/06/2017	-93606	Transfer	537035	0.36
			Sale				15/12/2017	-327243	Transfer	209792	0.14
			Closing Balance				31/03/2018			209792	0.14
10	AADCA1701E	LTD	Opening Balance	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	754474	0.51	31/03/2017			754474	0.51
			Purchase				07/04/2017	100000	Transfer	854474	0.57
			Sale				19/05/2017	-100000	Transfer	754474	0.51
			Sale				02/06/2017	-100000	Transfer	654474	0.44
			Sale				23/06/2017	-140182	Transfer	514292	0.35
			Sale				30/06/2017	-13200	Transfer	501092	0.34
			Sale				07/07/2017	-232619	Transfer	268473	0.18
			Purchase				11/08/2017	100000	Transfer	368473	0.25
			Purchase				18/08/2017	166000	Transfer	534473	0.36
			Sale				25/08/2017	-100000	Transfer	434473	0.29
			Purchase				29/09/2017	50000	Transfer	484473	0.33
			Sale				01/12/2017	-266000	Transfer	218473	0.15
			Purchase				05/01/2018	150000	Transfer	368473	0.25
			Closing Balance				31/03/2018			368473	0.25

Shareholding of Directors & KMP

For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No.of shares	% of total shares of the company	No.of shares	% of total shares of the company
G.Aravindan	200	-	200	-
Mrutunjay Sahoo	1500	-	1500	-

V INDEBTEDNESS

(₹ in Crore)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	1004.44	4496.62		5501.06
ii) Interest due but not paid				
iii) Interest accrued but not due	21.42	80.69		102.10
Total (i+ii+iii)	1025.86	4577.31	-	5603.16
Change in Indebtedness during the financial year				
Additions	3171.16	23809.20		26980.36
Reduction	1111.72	26980.57		28092.29
Net Change	2059.44	(3171.37)	-	(1111.93)
Indebtedness at the end of the financial year				
i) Principal Amount	3063.00	1325.90		4388.90
ii) Interest due but not paid				
iii) Interest accrued but not due	22.29	80.04		102.33
Total (i+ii+iii)	3085.29	1405.94	-	4491.23

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager						
1	**Gross salary**	Gautam Roy -MD **(till 31.01.2018)**	U.Venkata Ramana -DT	S.Krishna Prasad -DF **(till 31.01.2018)**	S.Venkata ramana-DO **(till 30.06.2017)**	S N Pandey (MD) **(from 01.02.2018)**	G Aravindan (DO) **(from 30.01.2018)**	**Total Amount**
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961. (Includes Leave Encashment)	55.50	54.55	37.77	62.23	4.98	6.59	**221.62**
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	15.88	7.87	8.98	7.72	0.56	0.54	**41.54**
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961							
2	Stock option							
3	Sweat Equity							
4	Commission as % of profit Others (specify)							
5	Others, please specify							
	Total (A)	**71.38**	**62.42**	**46.75**	**69.95**	**5.54**	**7.13**	**263.16**
	Ceiling as per the Act	Not Applicable to Government company						

B.Remuneration to other Directors:

₹ Lakhs

Sl.No	Particulars of Remuneration	Name of the Director		Total Amount
1	Independent Directors	Mrutunjay Sahoo	Dr. P B Lohiya	
	(a) Fee for attending Board/ Committee meetings	2.80	4.60	7.40
	(b) Commission			
	(c) Others, please specify			
	Total (1)	2.80	4.60	7.40
2	Other Non Executive Directors			
	(a) Fee for attending Board / Committee meetings			
	(b) Commission			
	(c) Others, please specify.			
	Total (2)	-	-	-
	Total (B)=(1+2)	2.80	4.60	7.40
	Total Managerial Remuneration			**270.56**
	Overall Ceiling as per the Act.			

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

₹ Lakhs

Sl.No	Particulars of Remuneration	Key Managerial Personnel	Total Amount
1	**Gross Salary**	**Company Secretary**	**Total**
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (including EL encashment)	43.52	**43.52**
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1.24	**1.24**
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission as % of profit		
	others, specify		
5	Others, please specify		
	Total	**44.76**	**44.76**

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

STANDALONE FINANCIAL STATEMENTS 2017-18

INDEPENDENT AUDITORS' REPORT

To
The Members of Chennai Petroleum Corporation Limited
Chennai

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying standalone IND AS financial statements of Chennai Petroleum Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone IND AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

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

a) of the state of affairs (financial position) of the Company as at 31st March, 2018,

b) its profit/loss (financial performance including other comprehensive income),

c) its cash flows and the changes in equity for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required under section 143(5) of the Act, 2013, we give in the Annexure A of our report on the directions/sub-directions issued by the Comptroller and Auditor General of India.
2. As required by the Companies (Auditor's Report) Order, 2016 ("The Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure B statement on the matters specified in paragraphs 3 and 4 of the Order.
3. As required by section 143(3) of the Act, 2013, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement and statement of changes in equity dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid Standalone IND AS Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act.
   e) Clauses referred to section 164(2) of the Act do not apply to directors of Government Companies as per the notification.
   f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in Annexure C.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and

according to the explanations given to us:

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

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

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

For R.Subramanian and Company LLP
Chartered Accountants
FRN: 004137S/S200041

R.Kumarasubramanian
Partner
Membership No: 021888

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

V.C.Krishnan
Partner
Membership No: 022167

Place: Chennai
Date:10th May 2018

Annexure- A to Independent Auditors' Report

The Annexure referred to in paragraph 1 of Our Report of even date to the members of Chennai Petroleum Corporation Limited on the accounts of the Company for the year ended March 31, 2018.

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

a) The Company is in possession of 186.86 acres of Land allotted by Government of Tamil Nadu (classified as Poramboke) for which Assignment deed is yet to be received.

b) There were no material waiver / write off of debts / loans / interest etc. other than waivers /write-offs in the normal course of business which were based on facts of such cases and approved as per the delegation of authority policies of the Company.

c) The Company has maintained adequate records in respect of inventories lying with third parties. No assets have been received as gifts from the Government or other authorities during the year. Proper records have been maintained in respect of grants received from the Government or other authorities.

For R.Subramanian and Company LLP
Chartered Accountants
FRN: 004137S/S200041

R.Kumarasubramanian
Partner
Membership No: 021888

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

V.C.Krishnan
Partner
Membership No: 022167

Place: Chennai
Date:10th May 2018

Annexure- B to Independent Auditors' Report

The Annexure referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirement' of our report of even date to the members of Chennai Petroleum Corporation Limited on the accounts of the Company for the year ended March 31, 2018.

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

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) These Fixed Assets have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were observed by the management on such verification.

(c) The title deeds of immovable properties are in the name of the Company except in the case of 186.86 acres of land allotted by the Government of Tamil Nadu for which assignment deeds are yet to be received.

Date of Allotment	Extent (in acres)	Gross Block as on 31st March 2018 (₹ in Lakhs)
May,1984	50.93	18.36
April,1990	40.69	Not yet fixed by Government
November,1993	95.24	Not yet fixed by Government

(ii) According to the information and explanations given to us, physical verification of inventory except goods in transit and goods held by outsider on behalf of the company has been conducted at reasonable intervals by the management and no material discrepancies were noticed.

(iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Consequently, the provisions of clauses 3(a) and 3(b) are not applicable.

(iv) The Company has not granted any loans nor made any investments nor extended any guarantees nor provided any securities covered under provisions of section 185 or section 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted deposits from the public and hence the provisions of clause 5 are not applicable.

(vi) Maintenance of cost records has been specified by the central government under section 148(1) of the Act. We have broadly reviewed the records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii) (a) According to the information and explanations given to us, the Company has been regular in depositing with the appropriate authorities the undisputed statutory dues in the case of provident Fund, employees' state insurance, income-tax, customs duty, sales tax and value added tax, cess and any other material statutory dues. To the best of our knowledge and according to the information and explanations given to us, there are no arrears of outstanding statutory dues as at March 31, 2018 for a period of more than six months from the date they became payable.

(b) The details of disputed dues of income-tax, sales tax, excise duty, customs duty and value added tax which have not been deposited as on March 31, 2018 are given in the **Annexure "I"** to our report.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any dues to financial institutions, banks, governments or debenture holders.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by the way of initial public offer or further public offer (including debt instruments) nor availed any term loans. Hence, provisions of clause (ix) of the Order, are not applicable.

(x) According to the information and explanations given to us by the Company, no material fraud by the company or any fraud on the company by its officers and employees has been noticed or reported during the year.

(xi) Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act.

(xii) The Company is not a Nidhi Company. Hence, provisions of clause (xii) of the Order, are not applicable.

(xiii) Transactions with related parties are in compliance with section 177 and section 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required under the relevant Indian Accounting Standard (IND AS).

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year under review. Accordingly, provisions of clause (xiv) of the Order, are not applicable.

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

(xvi) The Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934. Hence, provisions of clause (xvi) of the Order, are not applicable.

For R.Subramanian and Company LLP
Chartered Accountants
FRN: 004137S/S200041

R.Kumarasubramanian
Partner
Membership No: 021888

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

V.C.Krishnan
Partner
Membership No: 022167

Place: Chennai
Date:10th May 2018

Annexure C to the Auditors' Report

The Annexure referred to paragraph 3 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Chennai Petroleum Corporation Limited on the accounts of the Company for the year ended March 31, 2018.

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

We have audited the internal financial controls over financial reporting of Chennai Petroleum Corporation Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone IND AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone IND AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone IND AS Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R.Subramanian and Company LLP
Chartered Accountants
FRN: 004137S/S200041

R.Kumarasubramanian
Partner
Membership No: 021888

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

V.C.Krishnan
Partner
Membership No: 022167

Place: Chennai
Date:10th May 2018

Statement of Disputed Dues

Annexure - I

Name of the Statute	Nature of the dues	Disputed Amounts Including Interest (₹ in Lakhs)	Amount paid under protest/ Predeposit (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	5591.83	-	2007-08	High court
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	645.00	470.16	2007-08	Sales Tax Tribunal, Tamil Nadu
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	385.00	-	2007-08	DC CTIII
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	6870.59	-	2008-09	High court
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	252.00	129.09	2008-09	Sales Tax Tribunal, Tamil Nadu
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	149.00	-	2008-09	DC CTIII
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	3916.55	-	2009-10	High court
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	858.00	762.80	2009-10	Sales Tax Tribunal, Tamil Nadu
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	685.00	-	2009-10	DC CTIII
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	9304.24	3721.59	2010-11	Sales Tax Tribunal, Tamil Nadu
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	8993.45	4497.46	2011-12	Sales Tax Tribunal, Tamil Nadu
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	1624.27	1015.63	2014-15 (Upto Oct' 14)	2014-15 - Additional Comm (CT)
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	2122.92	1061.46	Nov'2014 to Mar' 2015	Sales Tax Tribunal, Tamil Nadu
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	289.56	144.80	2014-15	Joint Commissioner (Appeals)
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	244.60	122.29	2015-16	Joint Commissioner (Appeals)
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	1306.85	653.42	2016-17	Additional Commissioner (CT)
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	1751.87	1167.97	Oct -2015 to March-2016	Joint Commissioner (Appeals)
Central Sales Tax Act	Sales Tax Dues	32.42	-	2007-08	Dy. Commissioner CT - III Tamilnadu
Central Sales Tax Act	Sales Tax Dues	249.74	-	2008-09	Dy. Commissioner CT - III Tamilnadu
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	753.36	-	Oct -2016 to Dec-2016	Joint Commissioner (CT) LTU

Statement of Disputed Dues

Annexure - I

Name of the Statute	Nature of the dues	Disputed Amounts Including Interest (₹ in Lakhs)	Amount paid under protest/ Predeposit (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act	Sales Tax Dues	161.99	-	1991-92	Dy. Commissioner CT - III Tamilnadu
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	1013.21	126.65	2012-13 (Manali)	High court
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	395.03	49.38	2013-14 (Manali)	High court
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	599.21	-	2016-17 (Jan to March 2017)	High court
Tamil Nadu Value Added Tax Act	Value Added Tax Dues	398.78	99.70	2017-18 (April to June 2018)	High court
Central Excise Act	Excise Dues	99.00	-	Jan 2005 to Jun 2005	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act	Service Tax Dues	77.67	1.92	2015-16	Commissioner Appeal
Central Excise Act	Service Tax Dues	128.04	-	Feb 2007 to Dec 2009	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act	Service Tax Dues	18.34	-	2014-15 to 2016	Commissioner Appeal
Central Excise Act	Excise Dues	8.64	0.33	2014-15	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act	Excise Dues	9.03	-	2014-15	Commissioner Appeal
Central Excise Act	Excise Dues	1871.41	47.75	2010-11 to 2014-15	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act	Excise Dues	50.68	1.38	2013-14 & 2014-15	Commissioner Appeal
Central Excise Act	Excise Dues	11.60	1.16	01.04.2001 to 30.11.2003	Customs Excise and Service Tax Appellate Tribunal
Income Tax Act	Income Tax Dues	10070.12	3728.00	AY 2011-12	Commissioner of Income Tax (Appeals)

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2018

(₹ in Lakhs)

Particulars	Note	31-Mar-18	31-Mar-17
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	588873.67	387783.12
(b) Capital work-in-progress	2.1	140980.20	275660.74
(c) Intangible assets	3	2478.98	500.32
(d) Intangible assets under development	3.1	-	596.98
(e) Investments in Joint Ventures	4	1183.40	1183.40
(f) Financial Assets			
(i) Investments	4.1	10.90	10.90
(ii) Loans	5	3486.02	3378.93
(iii) Other Financial Assets	6	4780.13	4740.67
(g) Income tax assets (Net)	7	1159.91	-
(h) Other non-current assets	8	4800.08	9750.35
		747753.29	683605.41
(2) Current assets			
(a) Inventories	9	475921.54	320713.33
(b) Financial Assets			
(i) Trade receivables	10	156948.45	104039.47
(ii) Cash and cash equivalents	11	4.10	26.25
(iii) Other bank balances	12	866.31	1666.73
(iv) Loans	5	2346.65	2700.17
(v) Other Financial Assets	6	2605.46	1119.44
(c) Other current assets	8	30103.48	35686.30
		668795.99	465951.69
TOTAL		1416549.28	1149557.10
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	13	14900.46	14900.46
(b) Other Equity	14	370749.12	316480.41
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	82590.00	232427.50
(b) Provisions	17	23262.11	13314.97
(c) Deferred tax liabilities (Net)	7	20619.84	2425.41
(d) Other non-current liabilities	18	605.03	4037.61
		127076.98	252205.49
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	206299.51	317344.32
(ii) Trade payables	20	444364.46	165215.97
(iii) Other financial liabilities	16	205799.46	42478.37
(b) Other current liabilities	18	38581.32	25465.68
(c) Provisions	17	8777.97	13658.67
(d) Current Tax Liabilities (Net)	7	-	1807.73
		903822.72	565970.74
TOTAL		1416549.28	1149557.10
See accompanying notes to the financial statements	1 - 42		

(S N Pandey)
Managing Director

(Rajeev Ailawadi)
Director (Finance)

(P.Shankar)
Company Secretary

As per our attached Report of even date

For R.SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
(FRN: 004137S / S200041)

R. Kumarasubramanian
Partner
Membership No. 021888

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

V.C. Krishnan
Partner
Membership No. 022167

Place : Chennai
Date : 10-May-2018

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in Lakhs)

	Particulars	Note	31-Mar-18	31-Mar-17
I.	**Revenue from operations**	21	4418848.49	4060751.54
II.	**Other income**	22	3875.55	4004.97
III.	**Total Income (I + II)**		4422724.04	4064756.51
IV.	**Expenses:**			
	Cost of materials consumed	23	2931344.81	2425578.38
	Purchase of Stock-in-Trade		40062.17	15957.40
	Changes in Inventories (Finished Goods and Work-In Progress)	24	(60669.53)	10502.81
	Excise Duty (Including duty on inventory difference ₹ 5796.30 Lakhs (2017: ₹ (17152.05) Lakhs)		1166118.54	1291598.07
	Employee benefits expense	25	58175.67	51288.36
	Finance costs	26	32085.63	27278.21
	Depreciation and Amortisation expense on:			
	a) Tangible Assets		33878.98	27817.53
	b) Intangible Assets		141.34	45.54
	Impairment of Non Current Asset		432.77	6178.65
	Other expenses	27	75329.56	72006.96
	Total Expenses (IV)		4276899.94	3928251.91
V.	**Profit/(Loss) before Exceptional items and tax (III - IV)**		145824.10	136504.60
VI.	**Exceptional Items**		-	-
VII.	**Profit/(Loss) before tax (V + VI)**		145824.10	136504.60
VIII.	**Tax expense:**	7		
	(1) Current tax		36666.33	30803.18
	[Includes ₹ 3138.80 Lakhs(2017: NIL) relating to prior years]			
	(2) Deferred tax		17864.94	2726.24
	[Includes ₹ 1523.25 Lakhs(2017: NIL) relating to prior years]			
IX.	**Profit/(loss) for the year from continuing operations (VII-VIII)**		91292.83	102975.18
X.	Profit/(loss) from discontinued operations		-	-
XI.	Tax expense of discontinued operations		-	-
XII.	**Profit/(loss) from Discontinued operations(after tax) (X - XI)**		-	-
XIII.	**Profit / (loss) for the year (IX + XII)**		91292.83	102975.18
XIV.	**Other Comprehensive Income**	28		
A.	(i) Items that will not be reclassified to profit or loss		942.87	(869.24)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	7	(329.48)	300.83
B.	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income Tax relating to items that will be reclassified to profit or loss		-	-
XV.	**Total Comprehensive Income for the year (XIII + XIV) (Comprising Profit/ (Loss) and Other Comprehensive Income for the year)**		91906.22	102406.77
XVI.	**Earning per equity share:**			
	(1) Basic (₹)		61.31	69.15
	(2) Diluted (₹)		61.31	69.15

See accompanying notes to the financial statements 1 - 42

(S N Pandey)
Managing Director

(Rajeev Ailawadi)
Director (Finance)

(P.Shankar)
Company Secretary

As per our attached Report of even date

For R.SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
(FRN: 004137S / S200041)

R. Kumarasubramanian
Partner
Membership No. 021888
Place : Chennai
Date : 10-May-2018

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

V.C. Krishnan
Partner
Membership No. 022167

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018

(a) Equity Share Capital

(₹ in Lakhs)

	Equity shares of ₹10 each issued, subscribed and fully paid	Subscribed, called-up and paid-up share capital	Add: Forfeited shares (amount originally paid up)	Total paid-up equity share capital
At 31 March 2017	148911400	14891.14	9.32	14900.46
At 31 March 2018	**148911400**	**14891.14**	**9.32**	**14900.46**

(b) Other equity

(₹ in Lakhs)

	Reserves and Surplus					
	Securities Premium	Debenture Redemption Reserve	Capital Redemption reserve	Retained earnings	General reserve	Total
As at 1 April 2016	25003.82	15000.00	20000.00	(161032.35)	333013.51	**231984.97**
Profit for the Year	-	-	-	102975.18	-	**102975.18**
Other comprehensive income (Remeasurement of gain or loss on defined benefit plan)	-	-	-	-	(568.41)	**(568.41)**
Total comprehensive income	-	-	-	102975.18	(568.10)	**102406.77**
Transfer to Retained Earnings	-	-	-	-	-	**-**
Transfer to Capital Redemption Reserve	-	-	20000.00	(20000.00)	-	**-**
Transfer to Debenture Redemption Reserve	-	5000.00	-	(5000.00)	-	**-**
Dividend for FY 15-16	-	-	-	(5956.46)	-	**(5956.46)**
Dividend distribution tax (DDT) of FY 15-16	-	-	-	(1212.60)	-	**(1212.60)**
At 31 March 2017	**25003.82**	**20000.00**	**40000.00**	**(88239.53)**	**332445.41**	**329209.69**

(₹ in Lakhs)

	Reserve and Surplus					
	Securities Premium	Debenture Redemption Reserve	Capital Redemption reserve	Retained earnings	General reserve	Total
As at 1 April 2017	25003.82	20000.00	40000.00	(88239.54)	332451.41	316480.41
Profit for the Year	-	-	-	92722.12	-	91292.83
Other comprehensive income (Remeasurement of gain or loss on defined benefit plan)	-	-	-	-	613.39	613.39
Total comprehensive income	-	-	-	91292.83	613.39	91906.22
Transfer to Retained Earnings	-	-	-	-	-	-
Transfer to Capital Redemption Reserve	-	-	20000.00	(20000.00)	-	-
Transfer to Debenture Redemption Reserve	-	5000.00	-	(5000.00)	-	-
Dividend for FY 16-17	-	-	-	(31271.39)	-	(31271.39)
Dividend distribution tax (DDT) of FY 16-17	-	-	-	(6366.12)	-	(6366.12)
At 31 March 2018	**25003.82**	**25000.00**	**60000.00**	**(72319.52)**	**333064.82**	**370749.12**

(S N Pandey)
Managing Director

(Rajeev Ailawadi)
Director (Finance)

(P.Shankar)
Company Secretary

As per our attached Report of even date

For R. SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
(FRN : 004137S / S200041)

R. Kumarasubramanian
Partner
Membership No. 021888

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

V.C. Krishnan
Partner
Membership No. 022167

Place : Chennai
Date : 10-May-2018

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in Lakhs)

		Particulars	31-Mar-18	31-Mar-17
A		**Cash Flow from Operating Activities**		
	1	**Profit Before Tax**	**145824.10**	136504.60
	2	**Adjustments for :**		
		Depreciation of property, plant and equipment	**33878.98**	27817.53
		Impairment of Non Current Asset	**432.77**	6178.65
		Unclaimed / Unspent liabilities written back	**(232.76)**	(415.19)
		Loss/(gain) on disposal of property, plant and equipments (net)	**205.99**	351.13
		Amortisation and impairment of intangible assets	**141.34**	45.54
		Amortisation of Government Grants	**(3387.66)**	(222.76)
		Net Exchange Differences	**162.50**	(1014.20)
		Provision for Probable Contingencies (net)	**-**	1105.61
		Provision for Capital work-in-progress	**(0.18)**	237.70
		Provision for Doubtful Debts, Advances and Claims	**67.83**	1082.80
		Provision for Stores (net)	**465.17**	220.80
		Finance income	**(1551.58)**	(1572.80)
		Finance costs	**32085.63**	27278.21
		Dividend Income	**(591.70)**	(591.70)
	3	**Operating Profit before Working Capital Changes (1+2)**	**207500.43**	197005.92
	4	**Change in Working Capital:**		
		(Excluding Cash & Cash equivalents)		
		Trade & Other Receivables	**(42922.35)**	(29536.93)
		Inventories	**(155673.38)**	(3451.45)
		Trade and Other Payables	**298693.69**	(88144.82)
		Provisions	**5679.83**	13905.25
		Change in Working Capital	**105777.79**	(107227.95)
	5	**Cash Generated From Operations (3+4)**	**313278.22**	89777.97
	6	**Less : Taxes paid**	**(37609.68)**	(28904.23)
	7	**Net Cash Flow from Operating Activities (5-6)**	**275668.54**	60873.74
B		**Cash Flow from Investing Activities:**		
		Proceeds from sale of Property, plant and equipment/Transfer of Assets	**22.23**	14.93
		Purchase of Property, plant and equipment	**(99085.16)**	(119110.56)
		Interest received (Finance Income)	**1551.58**	1572.80
		Dividend Income	**591.70**	591.70
		Net Cash Generated/(Used) in Investing Activities:	**(96919.65)**	(116931.13)
C		**Net Cash Flow From Financing Activities:**		
		Proceeds from Long-Term Borrowings (Including finance lease)	**-**	33441.70
		Repayments of Long-Term Borrowings (Including finance lease)	**(334.25)**	(334.25)
		Proceeds from/(Repayments of) Short-Term Borrowings	**(111044.81)**	61296.07
		Interest paid	**(29754.47)**	(31160.00)
		Dividends paid	**(31271.39)**	(5956.46)
		Dividend distribution tax paid	**(6366.12)**	(1212.60)
		Net Cash Generated/(Used) from Financing Activities	**(178771.04)**	56074.46
D		**Net Change in Cash & cash equivalents (A+B+C)**	**(22.15)**	17.07
E - 1		**Cash & cash equivalents as at end of the year**	**4.10**	26.25
E - 2		**Cash & cash equivalents as at beginning of the year**	**26.25**	9.18
		NET CHANGE IN CASH & CASH EQUIVALENTS (E 1- E 2)	**(22.15)**	17.07

Notes :

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

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

Financial Liabilities	**As at 31.03.2016**	**Cash Flow**	**Non-cash Changes**		**As at 31.03.2017**
			Acquisition	**Foreign exchange**	
Long Term Borrowings (Including Other Current Financial Liability)	200000.00	33441.70		(1014.20)	232427.50
Short Term Borrowings	256048.25	61296.07			317344.32
Finance Lease Liabilites	668.50	(334.25)			334.25

Financial Liabilities	**As at 31.03.2017**	**Cash Flow**	**Non-cash Changes**		**As at 31.03.2018**
			Acquisition	**Foreign exchange**	
Long Term Borrowings (Including Other Current Financial Liability)	232427.50	-		162.50	232590.00
Short Term Borrowings	317344.32	(111044.81)			206299.51
Finance Lease Liabilites	334.25	(334.25)			-

(S N Pandey)
Managing Director

(Rajeev Ailawadi)
Director (Finance)

(P.Shankar)
Company Secretary

As per our attached Report of even date

For R.SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
(FRN: 004137S / S200041)

R. Kumarasubramanian
Partner
Membership No. 021888
Place : Chennai
Date : 10-May-2018

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

V.C. Krishnan
Partner
Membership No. 022167

Note-1A Corporate Information & Significant Accounting Policies

A. Corporate Information

The stand-alone financial statements of “Chennai Petroleum Corporation Limited” (“the Company” or “CPCL”) are for the year ended 31st March 2018. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at 536, Anna Salai, Teynampet, Chennai- 600018. (CIN – L40101TN1965GOI005389)

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

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

The stand-alone financial statements were approved for issue in accordance with a resolution of the Board of directors on 10th May, 2018.

B. Amendments to Standards effective 1st April,2017

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

Effective April 1st, 2017, the Company adopted the amendment to IndAS7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash changes. Further, the amendment suggest inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment will have impact only on disclosures in relation to cash flow statement within the financial statements.

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

Effective April 1st, 2017, amendment to Ind AS 102 specifies the accounting for cash-settled share based payments or share based payments with a net-settled feature. The same is not relevant to the Company as it does not have any transactions of this nature.

C. Standards issued but not yet effective

On March 28th, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration and the Ind AS 115, Revenue from Contract with Customers. They shall come into force from April 1st, 2018. The information that is expected to be relevant to the financial statements is provided below.

- **Amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates**

The amendment to Ind AS 21, Foreign currency transactions and advance consideration clarifies the date of the transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The Company will adopt the standard on April 1st, 2018. The effect on adoption of Ind AS 21 is expected to be insignificant.

- **Amendments to Ind AS 115, Revenue from Contract with Customers**

The Ind-AS 115 Revenue from Contract with Customers supersedes Ind-AS 11 Construction Contracts and Ind-AS 18 Revenue. The standard is effective for periods beginning on or after April 1st, 2018. The amendment is not relevant for the company as it does not have any revenue from construction contracts.

D. Significant Accounting Policies

1. BASIS OF PREPARATION

1.1. The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 with Companies (Indian Accounting Standards) (Amendment) Rules, 2016 & Companies (Indian Accounting Standards) (Amendment) Rules, 2017 and comply in all material aspects with the relevant provisions of the Companies Act 2013.

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

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

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

2. FIXED ASSETS

2.1. Property, Plant and Equipment (PPE)

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

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

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

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

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

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

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

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

2.2. Construction Period Expenses on Projects:

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

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

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

2.3. Capital Stores (included in CWIP)

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

2.4. Intangible assets

2.4.1. Technical know-how / license fee relating to production process and process design are recognized as Intangible Assets and amortized on a straight line basis over the life of the underlying plant/ facility.

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

2.4.3. Cost incurred on computer software/licenses purchased resulting in future economic benefits, other than specific software that are integral part of the related hardware, are capitalised as Intangible Asset and amortised over a period of three years beginning from the quarter in which such software is capitalised.

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

2.4.5. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

2.4.6. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life on straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

2.5. Depreciation / Amortisation

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

Depreciation / Amortisation is charged pro-rata on quarterly basis on assets, from / upto the quarter of capitalization / sale, disposal / or earmarked for disposal. Residual value is generally considered between 0 to 5% of cost of assets. Further, in case of catalyst with noble metal content, residual value is considered based on the cost of metal content.

The Company depreciates components of the main assets that are significant in value and have different useful lives as compared to the main assets separately. The Company depreciates capitalized spares/stores over the life of the spare/store from the date it is available for use.

2.5.2. Assets, costing up to ₹ 5,000/- per item are depreciated fully in the year of capitalization. Further, spares, components like catalyst excluding noble metal content and major overhaul/inspection are also depreciated fully over their respective useful life.

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

3. LEASES

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

3.1.2. Operating Leases as a lessee

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

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

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

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

3.1.3. Operating Leases as a lessor

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

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

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

3.1.4. Finance leases as lessee

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

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

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

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

4. IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 10 years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the tenth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

5. BORROWING COSTS

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

6. FOREIGN CURRENCY TRANSACTIONS

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

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

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

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

6.5. Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of profit or loss either under the head foreign exchange fluctuation or interest cost, as the case may be.

7. INVENTORIES

7.1. Raw Materials & Stock-in-Process

7.1.1. Crude oil is valued at cost determined on weighted average basis or net realizable value, whichever is lower.

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

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

7.2. Finished Products and Stock-in-Trade

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

7.3. Stores and Spares

7.3.1. Stores and spares are valued at weighted average cost.

7.3.2. In case of declared surplus/obsolete stores and spares, provision is made for likely loss on sale/disposal and charged to revenue. Further, provision is made to the extent of 97 per cent of the value of non moving inventory of stores and spares (excluding maintenance, repair & operation items, pumps and compressors) which have not moved for more than six years. Stores and spares in transit are valued at cost.

7.3.3. Spent catalysts (including noble metal content thereof) are valued at lower of the weighted average cost or net realizable value.

8. PROVISIONS, CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

8.1. Provisions

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

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

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

8.2. Contingent Liabilities

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

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

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

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

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

8.3. Capital Commitments

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

9. REVENUE RECOGNITION

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

9.2. The Company has assumed that the recovery of excise duty flows to the Company on its own account and hence, revenue includes excise duty. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) / Goods & Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

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

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

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

9.5. Claims (including interest on outstanding claims) are recognized at cost when there is reasonable certainty regarding its ultimate collection. Insurance claims are recognised based on acceptance.

9.6. Claims on Petroleum Planning and Analysis Cell (Formerly known as Oil Coordination Committee) /Government arising on account of erstwhile Administered Pricing Mechanism / notified schemes are booked on acceptance in principle thereof. Such claims and provisions are booked on the basis of available instructions /clarifications subject to final adjustment as per separate audit.

10. EXCISE DUTY

10.1. Excise duty on applicable products is accounted on the basis of both, payments made in respect of goods cleared as also provision made for goods lying in stock. Value of stock includes excise duty payable / paid on finished goods wherever applicable.

11. TAXES ON INCOME

11.1. Current income tax

Provision for current tax is made as per the provisions of the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

11.2. Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences

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

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

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

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

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

12. EMPLOYEE BENEFITS

12.1. Short Term Benefits

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

12.2. Post-Employment Benefits and Other Long Term Employee Benefits

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

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

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

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

12.3. Termination Benefits

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

12.4. Remeasurements

Remeasurements, comprising of actuarial gains and losses, the effect of the changes in asset ceiling, (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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

- the date of the plan amendment or curtailment, and
- the date that the Company recognises related restructuring costs

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

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

13. GRANTS

13.1. Capital Grants

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

13.2. Revenue Grants

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

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

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

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate or NIL interest rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

14. CURRENT VERSUS NON-CURRENT CLASSIFICATION

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

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

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

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

14.4. A liability is current when:

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

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

15. FINANCIAL INSTRUMENTS

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

15.1. Financial assets

15.1.1. Initial recognition and measurement

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

15.1.2. Subsequent measurement

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

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

15.1.3. Financial Assets at amortised cost

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

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

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

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

15.1.4. Debt instrument at FVTOCI

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

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

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

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

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

15.1.5. Equity instrument at FVTOCI

A. Equity investments (Other than subsidiaries, JVs and associates)

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

There is no recycling of the amounts from OCI to P&L, even on sale of investment.

B. Equity investments in JVs and associates

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

15.1.6. Debt Instruments and derivatives at FVTPL

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

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

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

15.1.7. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement: and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

15.2. Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance; and

b. Lease receivables under Ind AS 17

Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance, if any, on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

General Approach

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

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

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

15.3. Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives, if any, are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative instrument Initial recognition / Subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Commodity contracts

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

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

16. FAIR VALUE MEASUREMENT

16.1. The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

16.2. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

16.3. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

16.4. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

16.5. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

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

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

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

17. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

18. CASH FLOW STATEMENT

Cash flow statement are reported using the indirect method, whereby net profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

Note – 1B : SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. These include recognition and measurement of financial instruments, estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, measurement of employee benefits, actuarial assumptions, provisions etc.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

JUDGEMENTS

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

Contingencies

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

ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans / Other Long term employee benefits

The cost of the defined benefit plans and other long term employee benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. The management considers the interest rates of government securities based on expected settlement period of various plans.

Further details about various employee benefit obligations are given in Note 32.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model based on level-2 and level-3 inputs. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as price estimates, volume estimates, rate estimates etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also refer Note-35 for further disclosures of estimatesand assumptions.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less cost of disposal used to determine the recoverable amounts of the impaired assets are not based on observable market data, rather, management's best estimates. The value in use calculation is based on a DCF model. The cash flows do not include impact of significant future investments that may enhance the asset's performance of the CGU being tested. The results of impairment test are sensitive to changes in key judgements, such as changes in commodity prices, future changes in alternate use of assets etc, which could result in increase or decrease of the recoverable amounts and result in additional impairment charges or recovery of impairment charged.

Refer Note 42.1 on impairment recognized during the year.

Note – 2 : PROPERTY, PLANT AND EQUIPMENT

Current Year.

(₹ in Lakhs)

	Particulars	Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant and Equipment	Office Equipments	Transport Equipments	Furniture and Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	Total
GROSS BLOCK		Note: A			Note: B				Note: C		Note: E
	Gross Block as at 1st April 2017	4004.68	591.99	13721.99	421896.55	1707.76	955.52	884.82	0.30	1873.33	445636.94
	Additions during the Year	425.89	-	4562.81	231171.31	556.50	138.94	526.64	-	157.28	237539.37
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	(5.35)	(194.75)	(42.87)	(14.34)	(48.35)	-	-	(305.66)
	Gross Block as at 31st March 2018	**4430.57**	**591.99**	**18279.45**	**652873.11**	**2221.39**	**1080.12**	**1363.11**	**0.30**	**2030.61**	**682870.65**
DEPRECIATION, AMORTISATION AND IMPAIRMENT	Depreciation and Amortisation as at 1st April 2017	-	14.08	1438.70	50798.56	689.31	92.59	354.15	-	224.84	53612.23
	Depreciation and Amortisation during the Year.	-	7.04	571.77	32473.65	450.50	75.73	201.44	-	98.85	33878.98
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	(0.36)	(35.14)	(23.46)	(0.67)	(17.83)	-	0.02	(77.44)
	Total Depreciation and Amortisation upto 31st March 2018	**-**	**21.12**	**2010.11**	**83237.07**	**1116.35**	**167.65**	**537.76**	**-**	**323.71**	**87413.77**
	Total Impairment Loss as at 1st April 2017	-	-	1469.74	2752.80	-	-	-	-	19.06	4241.60
	Impairment Loss during the Year (Note: D)	-	-	6.63	2334.98	-	-	-	-	-	2341.61
	Impairment loss reversed during the Year	-	-	-	-	-	-	-	-	-	-
	Total Impairment Loss upto 31st March 2018	**-**	**-**	**1476.37**	**5087.78**	**-**	**-**	**-**	**-**	**19.06**	**6583.21**
NET BLOCK	**AS AT 31st March 2018**	**4430.57**	**570.87**	**14792.97**	**564548.26**	**1105.04**	**912.47**	**825.35**	**0.30**	**1687.84**	**588873.67**
	AS AT 31st March 2017	4004.68	577.91	10813.55	368345.19	1018.45	862.94	530.67	0.30	1629.43	387783.12

Previous Year.

(₹ in Lakhs)

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

A. Gross block of Land includes ₹ 18.36 Lakhs deposited towards 50.93 acres of Land for which assignment deed is yet to be received from Govt. of TamilNadu.

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

C. Represents 5/24 share of total cost of the Railway Siding jointly owned by the Company along with Madras Fertilizers Limited, Madras Petrochem Limited, Steel Authority of India Limited and Rashtriya Ispat Nigam Limited.

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

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

Details of assets under finance lease included above (Refer-Note-15(D)&33(B))

(₹ in Lakhs)

	Particulars	Plant and Equipment	Buildings	Total
GROSS BLOCK	Gross Block as at 1st April 2017	995.33	825.54	1820.87
	Additions during the Year	-	-	-
	Reclassification	(995.33)	(825.54)	(1820.87)
	Gross Block as at 31st March 2018	-	-	-
DEPRECIATION AND AMORTISATION	Depreciation and Amortisation as at 1st April 2017	103.06	70.85	173.91
	Depreciation and Amortisation during the Year	38.65	26.57	65.22
	Reclassification	(141.71)	(97.42)	(239.13)
	Total Depreciation and Amortisation upto 31st March 2018	-	-	-
NET BLOCK	**AS AT 31st March 2018**	-	-	-
	AS AT 31st March 2017	892.27	754.69	1646.96

Additions to Gross Block Includes:

(₹ in Lakhs)

Asset Particulars	Borrowing Cost	
	31-Mar-18	31-Mar-17
Buildings	**507.72**	-
Plant and Equipment	**17681.67**	-
Total	**18189.39**	-

Note – 2.1 : CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Sl.No	Particulars	Note		31-Mar-18	31-Mar-17
1	Construction Work in Progress - Fixed Assets				
	(Including unallocated capital expenditure, materials at site)				
	Balance as at beginning of the year		276675.20		165970.69
	Add: Additions during the year		96149.04		114598.24
	Less: Allocated/ Capitalised during the year		231377.32		3893.73
			141446.92		276675.20
	Less: Provision for Capital Losses		1307.66		1307.84
	Less: Impairment Loss	A	-		1908.84
				140139.26	273458.52
2	Capital stores balance as at beginning of the year		2502.79		2708.70
	Add: Additions during the year		29422.05		6106.11
	Less: Allocated during the year		30799.31		6312.02
			1125.53		2502.79
	Less: Provision for Capital Losses		300.57		300.57
	Capital stores			**824.96**	2202.22
3	Capital Goods in Transit			**15.98**	-
4	Construction Period Expenses pending allocation:				
	Net expenditure during the year (Note -"2.2")		11925.16		11717.10
	Less: Allocated during the year		11925.16		11717.10
				-	-
	TOTAL	**B**		**140980.20**	275660.74

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

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

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

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
1 Employee Benefit expenses	**1804.35**	1311.05
2 Power & Fuel	**2275.03**	282.69
3 Finance Cost	**7745.35**	10046.42
4 Travelling Expenses and Others	**100.43**	76.94
Net Expenditure during the year	**11925.16**	11717.10
Effective weighted average interest rate of borrowings eligible for capitalisation (Rate in %)	**7.92**	8.51

Note – 3: INTANGIBLE ASSETS
(1) Intangible assets with definite useful life
Current Year :

(₹ in Lakhs)

	Particulars	Computer Software	Technical Know-How, Royalty and Licenses	Total
GROSS BLOCK	Gross Block as at 1st April 2017	81.18	576.01	657.19
	Additions during the Year	9.71	2110.29	2120.00
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Gross Block as at 31st March 2018	**90.89**	**2686.30**	**2777.19**
AMORTISATION AND IMPAIRMENT	Amortisation as at 1st April 2017	56.42	99.13	155.55
	Amortisation during the Year	12.49	128.85	141.34
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Total Amortisation upto 31st March 2018	**68.91**	**227.98**	**296.89**
	Total Impairment Loss as at 1st April 2017	1.32	-	1.32
	Impairment Loss during the Year (A)	-	-	-
	Impairment loss reversed during the Year	-	-	-
	Total Impairment Loss upto 31st March 2018	**1.32**	**-**	**1.32**
NET BLOCK	**AS AT 31st March 2018**	**20.66**	**2458.32**	**2478.98**
	AS AT 31st March 2017	23.44	476.88	500.32

Previous Year :

(₹ in Lakhs)

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

(2) Intangible assets with indefinite useful life

Current Year :

(₹ in Lakhs)

	Particulars	Right of Way
GROSS BLOCK	Gross Block as at 1st April 2017	26.88
	Additions during the Year	-
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-
	Gross Block as at 31st March 2018	**26.88**
AMORTISATION AND IMPAIRMENT	Total Impairment Loss as at 1st April 2017	26.88
	Impairment Loss during the Year (A)	-
	Impairment loss reversed during the Year	-
	Total Impairment Loss upto 31st March 2018	**26.88**
NET BLOCK	**AS AT 31st March 2018**	**-**
	AS AT 31st March 2017	-

Previous Year :

(₹ in Lakhs)

	Particulars	Right of Way
GROSS BLOCK	Gross Block as at 1st April 2016	26.88
	Additions during the Year	-
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-
	Gross Block as at 31st March 2017	**26.88**
AMORTISATION AND IMPAIRMENT	Total Impairment Loss as at 1st April 2016	
	Impairment Loss during the Year (A)	26.88
	Impairment loss reversed during the Year	-
	Total Impairment Loss upto 31st March 2017	**26.88**
NET BLOCK	**AS AT 31st March 2017**	**-**
	AS AT 31st March 2016	26.88

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

Note – 3.1 : INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Lakhs)

Particulars		31-Mar-18	31-Mar-17
Work in Progress - Intangible Asset:			
Balance as at beginning of the year	596.98		596.98
Add: Net expenditure during the year	1513.31		-
	2110.29		596.98
Less: Allocated during the year	2110.29		-
		-	596.98
TOTAL		-	596.98

Note : Pertains to Property, Plant and Equipment under construction

Note – 4 : INVESTMENT IN JOINT VENTURES

(₹ in Lakhs)

Sl. No	Particulars	No. and Particulars	Face Value per share(₹)	Non-current 31-Mar-18	31-Mar-17
I	**Investments in equity shares**				
1	**Unquoted:**				
a)	**Investment in Joint Venture Companies:**				
	Indian Additives Ltd.	1183401 Equity Shares fully paid	100	**1183.40**	1183.40
	National Aromatics and Petrochemical Corporation Limited	25000 Equity Shares fully paid	10	**2.50**	2.50
	Less: Provision for Diminution			**2.50**	2.50
				-	-
	TOTAL			**1183.40**	1183.40
	Aggregate value of unquoted investments			**1185.90**	1185.90
	Aggregate amount of provision for value of investments			**2.50**	2.50

Note – 4.1 : INVESTMENTS

(₹ in Lakhs)

Sl. No	Particulars	No. and Particulars	Face Value per share(₹)	Non-current 31-Mar-18	Non-current 31-Mar-17
I	**Other Investments:** **Investments at fair value through OCI (fully paid):**				
a)	Biotech Consortium India Ltd	100000 Equity Shares fully paid	10	**10.00**	10.00
b)	MRL Industrial Cooperative Service Society Ltd	9000 Shares fully paid	10	**0.90**	0.90
	TOTAL		A	**10.90**	10.90
	Aggregate value of unquoted investments			**10.90**	10.90
	Aggregate amount of impairment in value of investments			-	-

A Fair Value approximates carrying value

Note – 5 : LOANS

(₹ in Lakhs)

Sl. No	Particulars	Note	Non - Current			Current		
				31-Mar-18	31-Mar-17		31-Mar-18	31-Mar-17
1	**Security Deposits:**							
	To Others							
	i) Unsecured, Considered Good			**92.94**	84.90		**954.64**	1144.73
2	**Loans:**							
	To Related Parties							
	i) Secured, Considered Good	**A.1**	3.58		3.74	0.90		0.84
	ii) Unsecured, Considered Good	**A.2**	0.24		1.84	1.71		2.28
			3.82		5.58	**2.61**		3.12
	To Others							
	i) Secured, Considered Good		2131.56		2054.28	565.62		467.15
	ii) Unsecured, Considered Good		1257.70		1234.17	823.78		1085.17
			3389.26		3288.45	**1389.40**		1552.32
	Sub Total			**3393.08**	3294.03		**1392.01**	1555.44
	TOTAL			**3486.02**	3378.93		**2346.65**	2700.17

NOTES:

Particulars	Non-Current 31-Mar-18	Non-Current 31-Mar-17	Current 31-Mar-18	Current 31-Mar-17
A.1 Includes:				
1 Due from Directors	**0.69**	0.25	**0.29**	0.34
2 Due from Officers	**2.89**	3.49	**0.61**	0.50
A.2 Includes:				
1 Due from Directors	**-**	1.32	**1.39**	1.55
2 Due from Officers	**0.24**	0.52	**0.32**	0.73

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

(₹ in Lakhs)

Particulars		Amount as on		Maximum Amount outstanding during the year ended	
		31-Mar-18	31-Mar-17	**31-Mar-18**	31-Mar-17
I.	Loans and Advances in the nature of loans:				
A)	To Parent Company	-	-	-	-
B)	To Associates /Joint Venture	-	-	-	-
C)	To Firms/Companies in which directors are interested	-	-	-	-

Note – 6 : OTHER FINANCIAL ASSETS **(₹ in Lakhs)**

Sl. No	Particulars	Non - Current 31-Mar-18	Non - Current 31-Mar-17	Current	Current 31-Mar-18	Current 31-Mar-17
1	**Deposit for Leave Encashment Fund**	**4780.13**	4740.67		**-**	-
2	**Interest Accrued on Investments/ Bank Deposits/ Loans**	**-**	-		**4.15**	2.47
3	**Claims Recoverable :**					
	a) From Related Parties					
	i) Unsecured, Considered Good	**-**	-	1.29		140.00
	ii) Unsecured, Considered Doubtful	**-**	-	2158.73		2156.81
		-	-	**2160.02**		2296.81
	b) Others					
	i) Unsecured, Considered Good	**-**	-	2450.96		753.38
	ii) Unsecured, Considered Doubtful	**-**	-	650.08		584.17
		-	-	**3101.04**		1337.55
	Less : Provision for Doubtful Claims	**-**	-	2808.81		2740.98
	Sub Total	**-**	-		**2452.25**	893.38
4	**Other Financial Assets**	**-**	-		**149.06**	223.59
	TOTAL	**4780.13**	4740.67		**2605.46**	1119.44

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

(₹ in Lakhs)

Particulars	Non-Current		Current	
	31-Mar-18	31-Mar-17	**31-Mar-18**	31-Mar-17
Tax Asset/ (Liability) - Net (Current)				
Advance payments for Current Tax	66622.49	-	-	31254.15
Less: Provision for Current Tax	65462.58	-	-	33061.88
Current Tax Asset/ (Liability) - Net	**1159.91**	-	-	(1807.73)
TOTAL	**1159.91**	-	-	(1807.73)

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

Particulars	31-Mar-18	31-Mar-17
Accounting profit		
Tax at the applicable tax rate of 34.94% (31.3.2017: 34.608%)	**34.94%**	**34.61%**
Tax effect of income that are not taxable in determining taxable profit:	(0.28%)	(0.27%)
Recognition of DTA on Carry forward losses restricted to the expent of DTL:	-	(11.98%)
Tax effect of expenses that are not deductible in determining taxable profit:	3.31%	2.20%
Tax expense /income related to prior years :	3.20%	-
Tax effect on recognition of previously unrecognised allowances / disallowances :	(3.99%)	-
Tax effect due to Change in applicable Tax rates :	0.22%	-
Tax expense	**37.40%**	**24.56%**

(II) In compliance of Ind As 12 on "Income Taxes", the item wise details of deferred tax liability (net) are as under.

(₹ in Lakhs)

Particulars	As at 31-Mar-16	Provided during the Year 2016-17	Provided during the Year in OCI 2016-17	As at 31-Mar-17	Provided during the Year 2017-18	Provided during the Year in OCI 2017-18	As at 31-Mar-18
Deferred tax liability:							
Related to Fixed Assets (Depreciation)	77524.38	(486.27)	-	77038.11	11863.55	-	88901.66
Retirement benefits to employees	90.81	(80.52)	-	10.29	(10.29)	-	-
Total deferred tax liability (A)	**77615.19**	**(566.79)**	**-**	**77048.40**	**11853.26**	**-**	**88901.66**
Deferred tax assets:							
Carry forward Business Loss / Unabsorbed Depreciation	77615.19	(40778.41)	-	36836.78	(36836.78)	-	-
Provision on Inventories, Trade Receivables, Loans and advances, CWIP , Investments etc.	-	2488.73	-	2488.73	33.34	-	2522.07
43B Disallowances , Bonus , Gratuity etc.	-	4193.47	300.83	4494.30	1595.79	(329.48)	5760.61
MAT Credit Entitlement	-	30803.18	-	30803.18	29195.96	-	59999.14
Total deferred tax assets (B)	**77615.19**	**(3293.03)**	**300.83**	**74622.99**	**(6011.68)**	**(329.48)**	**68281.82**
Deferred Tax Liability (Net) (A - B)	**-**	**2726.24**	**(300.83)**	**2425.41**	**17864.94**	**329.48**	**20619.84**

Note – 8 : OTHER ASSETS

(₹ in Lakhs)

Sl. No	Particulars	Non - Current 31-Mar-18	Non - Current 31-Mar-17	Current 31-Mar-18	Current 31-Mar-17
1	**Advance for Capital Expenditure**				
	a) To Related Parties				
	i) Unsecured, Considered Good	1366.53	140.92	-	-
	b) To Others				
	i) Unsecured, Considered Good	1531.21	7906.83	-	
		2897.74	8047.75	-	-
2	**Advances**				
	a) To Others				
	i) Unsecured, Considered Good	-	-	**1388.81**	3769.49
3	**Claims Recoverable :**				
	From Custom, Excise, Sales tax , Income Tax dept & Others				
	i) Unsecured, Considered Good	-	-	**25430.05**	25564.40
4	**GST, Cenvat, VAT, service tax recoverable**	-		**2188.22**	5429.04
5	**Balance with Customs, Port Trust and Excise Authorities:**				
	i) Unsecured, Considered Good		-	**814.97**	573.57
6	**Gold Coins in Hand (at Cost)**	-	-	61.54	62.54
	Less : Provision for Diminution	-	-	4.63	8.52
		-	-	**56.91**	54.02
7	**Deferred Expenses**	**1902.34**	1702.60	**224.52**	295.78
	TOTAL	**4800.08**	9750.35	**30103.48**	35686.30

Note – 9 : INVENTORIES

(₹ in Lakhs)

Sl.No.	Particulars		31-Mar-18	31-Mar-17
1	**In Hand :**			
	a. Stores, Spares etc.	25366.51		22534.93
	Less : Provision for Losses	3295.94		2830.77
			22070.57	19704.16
	b. Raw Materials		**149483.11**	124001.56
	c. Finished Products		**144234.16**	99157.37
	d. Stock in Process		**48132.69**	32539.95
			363920.53	275403.04
2	**In Transit :**			
	a. Stores & Spares etc.		**1014.03**	1383.92
	b. Raw Materials		**110986.98**	43926.37
			112001.01	45310.29
	TOTAL		**475921.54**	320713.33
	Impact of Valuation of closing inventories carried at net realisable value recognised in Statement of Profit & loss		255.04	4989.17

Note – 10 : TRADE RECEIVABLES

(₹ in Lakhs)

Sl.No.	Particulars	Note		31-Mar-18	31-Mar-17
1	**Over Six Months:**				
	a) From Related Parties				
	i) Unsecured, Considered Good	(i)	2.74		-
	b) From Others				
	i) Unsecured, Considered Good		26.59		41.57
	Total			**29.33**	41.57
2	**Other Debts :**				
	a) From Related Parties				
	i) Unsecured, Considered Good	(i)	131037.00		89498.30
	b) From Others				
	i) Secured, Considered Good	(ii)	10000.00		7497.96
	ii) Unsecured, Considered Good		15882.12		7001.64
				156919.12	103997.90
	TOTAL			**156948.45**	104039.47

(i) Includes receivables from Indian Oil Corporation Ltd., the holding company - ₹ 130879.24 Lakhs (2017: ₹ 89104.45 Lakhs) and receivables from Indian Additives Limited, Joint Venture Company - ₹ 160.50 Lakhs(2017: ₹ 393.85 Lakhs).

(ii) Represents dues for which mortgage and first charge on Fixed asset is in favour of the company to the extent of ₹ 10000 Lakhs (2017: ₹ 10000 Lakhs)

Note – 11 : CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Bank Balances with Scheduled Banks :		
a) Current Account	4.10	26.25
TOTAL	**4.10**	26.25

Note – 12 : OTHER BANK BALANCES

(₹ in Lakhs)

	Particulars	Note	31-Mar-18	31-Mar-17
1	Balances with bank held as other commitments		536.09	517.90
2	Earmarked Balances	**A**	330.22	1148.83
	TOTAL		**866.31**	1666.73

NOTES:

A) Pertains to unpaid dividend. (Refer note 16- Sl. No.7)

Note – 13 : EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Note	31-Mar-18	31-Mar-17
Authorized:			
Equity:			
40,00,00,000 (2017: 40,00,00,000) Equity Shares of ₹ 10 each		**40000.00**	40000.00
Preference:			
100,00,00,000 (2017:100,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each		**100000.00**	100000.00
		140000.00	140000.00
Issued :			
Equity:			
17,00,00,000 (2017: 17,00,00,000) Equity Shares of ₹ 10 each	(i)	**17000.00**	17000.00
Preference:			
100,00,00,000 (2017:100,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each	(ii)	**100000.00**	100000.00
		117000.00	117000.00
Subscribed, Called-up and Paid-up :			
14,89,11,400 (2017: 14,89,11,400) Equity shares of ₹10 each	(i)	**14891.14**	14891.14
Add: Forfeited Shares (amount originally paid up)		**9.32**	9.32
Total Paid up Equity share Capital		**14900.46**	14900.46
TOTAL		**14900.46**	14900.46

(i) (a) As per the Formation Agreement entered into between the promoters, an offer is to be made to the Naftiran Intertrade Company Limited (NICO), an affiliate of National Iranian Oil Company (NIOC) in any issue of the Capital in proportion to the shares held by them at the time of such issue to enable them to maintain their shareholding at the existing percentage.

(b) Refer Note-40 - Events occuring after Reporting Period(Sl.No.3)

(ii) (a) Based on special resolution passed by the shareholders through postal ballot on 16.07.2015, the company has allotted 100 Crore Non Convertible Cumulative Redeemable Preference Shares of ₹10 each for cash at par amounting to ₹ 1000 Crore to Indian Oil Corporation Ltd, the holding company on private placement preferential allotment basis on 24.09.2015 after receipt of full subscription amount.Preference Shares classified as financial liability (long term borrowing) as per Ind AS 32 - Refer note - 15(II) (B) and note (ii) thereon

(b) Refer Note-40 - Events occuring after Reporting Period(Sl.No.2)

Note – 13 : EQUITY SHARE CAPITAL

A. Reconciliation of No. of Shares	**31 Mar 2018**		31 Mar 2017	
	Equity Shares	**Preference Shares**	Equity Shares	Preference
Opening Balance	**148911400**	**1000000000**	148911400	1000000000
Shares Issued	-	-	-	-
Shares bought back	-	-	-	-
Closing Balance	**148911400**	**1000000000**	148911400	1000000000

B. Rights, preferences and restrictions attached to Equity shares

Equity Shares: The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

C. Shares held by Holding Company **(₹ in Lakhs)**

Particulars	**31 Mar 2018**	31 Mar 2017
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

D. Details of shareholders holdings more than 5% shares

Equity Shares

Name of Shareholder	**31 Mar 18**		31 Mar 17	
	Number of shares held	**Percentage of Holding**	Percentage of Holding	Number of shares held
Indian Oil Corporation Limited	**77265200**	**51.89**	77265200	51.89
Naftiran Intertrade Company Limited	**22932900**	**15.40**	22932900	15.40

Note – 14 : OTHER EQUITY

(₹ in Lakhs)

Sl. No	Particulars		31-Mar-18	31-Mar-17
1	**Retained Earnings**			
a)	**General Reserve :**			
	As per last Account	332451.43		333019.84
	Add: Remeasurement of Defined Benefit Plans	613.39		(568.41)
		333064.82		332451.43
b)	**Surplus (Balance in Statement of Profit and Loss):**			
	Balance Brought Forward from Last Year's Account	(100974.84)		(171780.96)
	Add: Profit for the Year	91292.83		102975.18
	Less: APPROPRIATIONS:			
	Final Dividend	31271.39		5956.46
	Bond Redemption Account	5000.00		5000.00
	Capital Redemption Account	20000.00		20000.00
	Dividend Distribution Tax on Final Dividend	6366.12		1212.60
	Balance carried forward to next year's account	**(72319.52)**		(100974.84)
			260745.30	231476.59
2	**Other Reserves**			
a)	**Bond Redemption Reserve Account :**			
	As per last Account	20000.00		15000.00
	Add: Transferred from Profit and Loss Account	5000.00		5000.00
			25000.00	20000.00
b)	**Capital Redemption Reserve :**			
	As per last Account	40000.00		20000.00
	Add: Transferred from Profit and Loss Account	20000.00		20000.00
			60000.00	40000.00
c)	**Securities Premium Account :**			
	As per last Account		**25003.82**	25003.82
	TOTAL		**370749.12**	316480.41

Note – 15 : LONG-TERM BORROWINGS

(₹ in Lakhs)

Sl. No	Particulars	Note	Non - Current 31-Mar-18	Non - Current 31-Mar-17	Current Maturities 31-Mar-18	Current Maturities 31-Mar-17
I.	**SECURED LOANS**					
1	**Bonds:**					
	10000 Nos. of 9.65% Secured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - II	**A**	-	100000.00	**100000.00**	**-**
	Total Secured Loans		-	100000.00	**100000.00**	-
II.	**UNSECURED LOANS**					
1	**Term Loans:**					
	i) From Banks/Financial Institutions:					
	In Foreign Currency	**C**	32590.00	32427.50	-	-
	US $ 50 Million (2017: US $ 50 Million)					
	Total (Term Loans)		**32590.00**	32427.50	-	-
2	**Loans from related parties:**	**B**				
	100,00,00,000 (2017:100,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each		**50000.00**	100000.00	**50000.00**	-
3	**Current maturity of finance lease obligations from related parties**	**D**	-	-	-	334.25
	Total Unsecured Loans		**82590.00**	132427.50	**50000.00**	334.25
	TOTAL LONG-TERM BORROWINGS		**82590.00**	232427.50	**150000.00**	334.25

Note – 15 : LONG-TERM BORROWINGS

Sl. No	Particulars	Allotment Date	Coupon Rate	Effective interest rate	Date of Redemption	Security Details
A	Secured Redeemable Non Convertible Debentures (Series-II)	10.01.2014	9.65%	9.65%	Principal repayable at the end of 5 years from 10.01.2014 being date of allotment. Interest payable annually on 10th Jan at the rate of 9.65% p.a.	First Charge on specific Plant & Machinery along with the underlying land together with all the building and structures standing on the said land to the extent of ₹ 100000 Lakhs.

Unsecured Loans:

B. Non Convertible Cumulative Redeemable Preference Shares

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

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

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

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

(b) Such shares shall rank for capital and dividend (including all dividend undeclared upto the commencement of winding up) and for repayment of capital in a winding up, pari passu inter se and in priority to the Ordinary Shares of the Company, but shall not confer any further or other right to participate either in profits or assets.

(c) The holders of such shares shall have the right to receive all notices of general meetings of the Company and have a right to vote only on resolution placed before the share holders which directly affect their rights attached to preference shares like winding up of company or repayment of preference sharesetc.

(d) The tenure of the NCCRP Shares would be 10 years , with put and call option. Either the preference shareholder shall have right to exercise Put option or the Issuer shall have right to exercise Call option to redeem the preference shares, in whole or in part after the 5 years of the preference issue date. However, it is also agreed that Put & Call option before the 5 year period can be exercised by mutual consent of both the parties by giving 30 days notice.

(e) Dividend rate shall be equivalent to the Post tax yield of AAA rated corporate bond i.e. prevailing (at the time of issue) 10 year G-Sec yield plus spread on AAA rated corporate bond i.e., 6.65% p.a (reckoned for the FY 2015-16). The coupon rate on preference share would be adjusted to reflect the subsequent changes in tax laws with the consent and approval of preference share holders by way of special resolution. Currently, the Effective interest rate inclusive of dividend distribution tax is 8.00%

(ii) [Refer Note-40 - Events occuring after Reporting Period(Sl.No.2)]

(iii) Preference Shares held by Holding Company

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
1,00,00,00,000 Non-Convertible Cumulative Redeemable Preference Shares of ₹10/- each (100%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.	100000	100000

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

Name of Preference Shareholder	31-Mar-18		31-Mar-17	
	Number of Preference shares held	Percentage of Holding	Number of Preference shares held	Percentage of Holding
Indian Oil Corporation Limited	1000000000	100	1000000000	100

(v) Pending the approval of shareholders, preference dividend has been provisionally accrued as finance cost. However, as per the Companies Act 2013, the preference shares is treated as part of share capital and the provisions of the Act relating to declaration of Preference Dividend at the end of the year would be applicable.

C. Foreign Currency Loan

Loan Repayment Schedule for Foreign Currency Loan (Unsecured)-Term Loans

Sl. No	Particulars	Date of Redemption	Repayable Amount	Interest Rate
1	Term Loan from SBI	18.09.2019	US $ 50 Million	3 months LIBOR + 125 bps (Interest reset on quarterly basis) - Interest payable on monthly basis

D. Finance Lease Obligation

The Finance Lease obligation is against assets acquired under Finance Lease from IOT Infrastructure and Energy Services Limited. The contract period expired during the year. The carrying value of the same is ₹ NIL Lakhs(2017: ₹ 1646.96 Lakhs). Refer Note - 2 & 33(B).

Note – 16 : OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Sl. No	Particulars	Note	Non - Current		Current Maturities	
			31-Mar-18	31-Mar-17	**31-Mar-18**	31-Mar-17
1	Current maturities of Long term debt/ finance lease obligations (Refer Note -15)		-	-	**150000.00**	334.25
2	Interest accrued but not due on loans (including Preference Shares)	A	-	-	**10232.76**	10210.49
3	Liability for Capital Expenditure	B	-	-	**25246.77**	18449.32
4	Liability to Trusts and Other Funds		-	-	**860.33**	543.31
5	Employee Liabilities for Expenses		-	-	**14819.85**	7990.49
6	Security Deposits		-	-	**4226.93**	3722.54
7	Liability for Dividend	C	-	-	**330.22**	1148.83
8	Other Financial Liabilities		-	-	**82.60**	79.14
	TOTAL		-	-	**205799.46**	42478.37

A Pending the approval of shareholders, preference dividend has been provisionally accrued as finance cost. However, as per the Companies Act 2013, the preference shares is treated as part of share capital and the provisions of the Act relating to declaration of Preference Dividend at the end of the year would be applicable.

B Includes dues Payable to IOT Infrastructure and Energy Limited ₹531.68 Lakhs (2017 :Nil Lakhs)

C There are no amounts due for payment to the Investor Education and Protection Fund as at the year end. Further, there are no amounts due to Naftiran Inter trade company Limited (NICO) towards unpaid dividend (Previous year: ₹ 917.32 Lakhs could not be remitted due to restrictions in banking channels arising out of sanctions imposed by US / European Union against Iran)

Note – 17 : PROVISIONS

(₹ in Lakhs)

Sl. No	Particulars	Note	Non - Current		Current	
			31-Mar-18	31-Mar-17	**31-Mar-18**	31-Mar-17
1	Provision for Employee Benefits		23262.11	13314.97	7672.36	12553.06
2	Contingencies for probable obligations		-	-	8614.36	1105.61
	Less: Deposits		-	-	7508.75	-
	Contingencies for probable obligations	A	-	-	1105.61	1105.61
	TOTAL		**23262.11**	13314.97	**8777.97**	13658.67

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

Particulars	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year	Closing Balance
Sales Tax	1105.61		-	-	1105.61
Income Tax	-	7508.75	-	-	7508.75
TOTAL	**1105.61**	**7508.75**	-	-	**8614.36**
Previous Year	-	1105.61	-	-	1105.61

Note – 18 : OTHER LIABILITIES

(₹ in Lakhs)

Sl. No	Particulars	Note	Non - Current		Current	
			31-Mar-18	31-Mar-17	**31-Mar-18**	31-Mar-17
1	**Revenue Grants - EPCG**					
	Liability towards Government Grants	A	**605.03**	4037.61	-	-
2	Statutory Liabilities		-	-	**37146.72**	24201.57
3	Advances from Customers		-	-	**1434.60**	1264.11
	TOTAL		**605.03**	4037.61	**38581.32**	25465.68

A Grant recognised in respect of duty waiver on procurement of capital goods under EPCG scheme of Central Government which allows procurement of capital goods including spares for pre production at zero duty subject to export obligations of 6 times of the duty saved on capital goods procured. The company recognised ₹3387.66 Lakhs (2017: ₹222.76 Lakhs) in the statement of profit & loss account as amortisation of revenue grant. The company expects to meet the export obligations and therefore equivalent deferred grant has not been treated as liability.

Note – 19 : SHORT-TERM BORROWINGS

(₹ in Lakhs)

Sl. No	Particulars	Note		31-Mar-18		31-Mar-17
I.	**SECURED LOANS**					
1	**Loans Repayable on Demand**					
	From Banks:					
	a) In Rupees	A				
	i) Cash Credit - SBI		206299.51			444.32
	Sub-Total			**206299.51**		444.32
II.	**UNSECURED LOANS**					
1	**Loans Repayable on Demand**					
	i) From Banks/Financial Institutions:					
	In Rupees					
	i) Working Capital Demand Loan		-			4400.00
	Sub-Total			-		4400.00
	ii) From Others					
	Commercial Paper		-			312500.00
	Total			-		316900.00
	Total Unsecured Loans			-		316900.00
	TOTAL BORROWINGS - CURRENT			**206299.51**		317344.32

Notes:

A Secured against hypothecation of Trade receivables & Inventories to the extent of ₹ 418400 Lakhs with State Bank of India. (2017: ₹ 418400 Lakhs)

At 31 March 2018 the Company had available ₹ 210426.49 Lakhs (2017: ₹ 416796.72 Lakhs) of undrawn Credit facilities.

Note – 20 : TRADE PAYABLES

(₹ in Lakhs)

Particulars	Note	31-Mar-18	31-Mar-17
Sundry Creditors:			
Dues to Micro and Small Enterprises	A	**12.08**	8.81
Dues to Related Parties	B	**402633.82**	114989.83
Dues to Others		**41718.56**	50217.33
TOTAL		**444364.46**	165215.97

A With regard to disclosure requirements under the provisions of section 22 of Micro, Small and Medium Enterprises Development Act, 2006, the company has carried out the same based on the confirmation received from its suppliers. No interest amount remains unpaid to such Micro and Small enterprises as on 31st March 2018 and no payments were made to such enterprises beyond the "appointed day" during the year. Also, the company has not paid any interest in terms of section 16 of the above mentioned act or otherwise.

B Represents dues to Indian Oil Corporation Ltd., the holding company ₹ 402282.36 Lakhs (2017: ₹ 114882.02 Lakhs) and IOT Infrastructure and Energy Services Limited ₹ 351.46 Lakhs (2017: ₹ 107.81 Lakhs)

Note – 21 : REVENUE FROM OPERATIONS

(₹ in Lakhs)

Sl. No.	Particulars	Note	31-Mar-18		31-Mar-17
1	Sales (Net of Discounts)	A	4413480.74		4058590.03
2	Other Operating Revenues (Note "21.1")		5367.75		2161.51
				4418848.49	4060751.54
	TOTAL			**4418848.49**	4060751.54

A (i) Goods and Services Tax (GST) has been implemented w.e.f.01.07.2017 wherein some of the petroleum products have come under its ambit. Accordingly, GST is being levied on these products as against Excise Duty applicable hitherto. Since Excise duty is included in revenue and GST is not included in revenue, the comparable turnover after netting off Excise duty on products on which GST has now been levied, for periods before 01.07.2017, is tabulated below :

Particulars	31-Mar-18	31-Mar-17
Revenue (gross)	4413480.74	4058590.03
Less: Excise Duty	17384.84	63694.76
Net comparable revenue	**4396095.90**	3994895.27

(ii) Sale to certain customers, which involves return of material upon extraction of relevant products are being invoiced for the gross supply quantity by the company and quantity returned is being invoiced by the customer on the company upon GST implementation. Accordingly, the quantity supplied to the extent received by the company after extraction is included in both Revenue from operations and purchase of stock in trade to the extent of ₹ 20929.30 Lakhs in line with the invoicing pattern under GST.

Note – 21.1 : OTHER OPERATING REVENUES

(₹ in Lakhs)

Sl. No.	Particulars	31-Mar-18	31-Mar-17
1	Sale of Power	**176.35**	151.06
2	Unclaimed / Unspent liabilities written back	**232.76**	415.19
3	Recoveries from Employees	**264.01**	384.80
4	Sale of Scrap	**1306.97**	987.70
5	Amortisation of Government Grants	**3387.66**	222.76
	TOTAL	**5367.75**	2161.51

Note – 22 : OTHER INCOME

(₹ in Lakhs)

Sl. No.	Particulars	Note		31-Mar-18	31-Mar-17
1	Interest on :				
	Financial Item:				
	a) Loans and Advances		965.85		804.72
	b) Short Term Deposits with Banks		30.71		36.42
	c) Customers Outstanding		202.18		287.89
	d) Others		352.84		443.77
				1551.58	1572.80
	Non Financial Item:	**A**		**400.88**	-
2	Dividend from Related Parties	**B**		**591.70**	591.70
3	Exchange Fluctuations (Net)			-	972.10
4	Other Non Operating Income			**1331.39**	868.37
	TOTAL			**3875.55**	4004.97

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

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

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

(₹ in Lakhs)

	31-Mar-18	31-Mar-17
In relation to financial assets measured at amortised cost	1551.58	1572.80

Note – 23 : COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Raw Material Consumed :		
Opening Balance	**167927.93**	154535.28
Add :		
Purchases	**3023886.97**	2438971.03
Sub Total	**3191814.90**	2593506.31
Less: Closing Stock	**260470.09**	167927.93
TOTAL (Net)	**2931344.81**	2425578.38

Note – 24 : CHANGES IN INVENTORY

(₹ in Lakhs)

Particulars		31-Mar-18	31-Mar-17
Closing Stock			
a) Finished Products	144234.16		99157.37
b) Stock in Process	48132.69		32539.95
		192366.85	131697.32
Less:			
Opening Stock			
a) Finished Products	99157.37		114527.05
b) Stock in Process	32539.95		27673.08
		131697.32	142200.13
NET INCREASE / (DECREASE)		**60669.53**	(10502.81)

Note – 25 : EMPLOYEE BENEFIT EXPENSE

(₹ in Lakhs)

Particulars		31-Mar-18	31-Mar-17
Employee Benefit Expense:			
(a) Salaries, Wages, Bonus etc	38734.18		34121.60
(b) Contribution to Provident & Other Funds	15361.11		12065.41
(c) Staff Welfare Expenses	4080.38		5101.35
TOTAL (Net)		**58175.67**	51288.36

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

B Above excludes ₹ 1804.35 Lakhs (2017: ₹ 1311.05 Lakhs) included in capital work in progress (Note - 2.1)

Note – 26 : FINANCE COSTS

(₹ in Lakhs)

Sl. No.	Particulars	Note		31-Mar-18	31-Mar-17
1	**Interest Payments on Financial items:**	(i)			
	I. Working Capital Loans				
	Short term Borrowings		16967.08		16599.60
	Other Loans				
	Debentures/Foriegn Currency Term Loan	B	2765.90		-
				19732.98	16599.60
	II. Unwinding of Finance cost			**29.55**	56.99
	III. Interest expense for Preference Shares (including Dividend Distribution Tax) treated as financial liabilities	A		**8003.78**	8003.78
2	**Interest Payments on Non Financial items**	C		**3017.14**	578.28
3	**Other Borrowing Cost**			**50.70**	34.99
4	**Exchange differences regarded as adjustment to borrowing cost**			**1251.48**	2004.57
	TOTAL	B		**32085.63**	27278.21

A	Refer Note 16 A		
B	Net of interest capitalised as part of CWIP	**7745.35**	10046.42
C	Includes mainly interest under Income Tax Act, 1961		

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

(₹ in Lakhs)

	31-Mar-18	31-Mar-17
In relation to financial liabilities measured at amortised cost	**27766.31**	24660.37

Note – 27 : OTHER EXPENSES

(₹ in Lakhs)

Sl. No	Particulars	31-Mar-18		31-Mar-17
1	Consumption:			
	a) Stores, Spares and Consumables	8293.83		6298.39
	b) Packages & Drum Sheets	99.54		102.23
			8393.37	6400.62
2	Power & Fuel	266572.98		201973.09
	Less : Fuel from own production	261126.32		196966.25
			5446.66	5006.84
3	Irrecoverable taxes - Central Sales Tax		**15799.67**	16903.83
4	Repairs and Maintenance			
	i) Plant & Machinery	15327.52		16090.13
	ii) Buildings	292.39		364.72
	iii) Others	4934.35		3923.23
			20554.26	20378.08
5	Freight, Transportation Charges and Demurrage		**7287.65**	6401.22
6	Office Administration, Selling and Other Expenses (Note "27.1")		**20122.98**	17199.06
	TOTAL		**77604.59**	72289.65
	Less: Company's use of own Products		**2275.03**	282.69
	TOTAL (Net)		**75329.56**	72006.96

Note – 27.1 : OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES

(₹ in Lakhs)

Sl. No	Particulars	Note		31-Mar-18	31-Mar-17
1	Rent			**1739.10**	2063.92
2	Insurance			**1277.83**	1512.34
3	Rates & Taxes			**180.36**	179.89
4	Payment to auditors :				
	a) For Statutory Audit		18.16		16.03
	b) For Limited Review		10.05		8.08
	c) For Taxation Matters		5.61		5.04
	d) Other Services(for issuing other certificates etc.)		1.46		1.40
				35.28	30.55
5	Travelling & Conveyance			**2147.69**	2243.48
6	Communication Expenses			**261.74**	190.21
7	Printing & Stationery			**141.78**	107.51
8	Electricity & Water			**83.25**	78.03
9	Bank Charges			**99.15**	106.55
10	Provision / Loss on Assets sold or written off (Net)			**205.99**	351.13
11	Technical Assistance Fees			**807.93**	665.39
12	Exchange Fluctuation (Net)			**4730.62**	-
13	Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores			**532.82**	1541.30
14	Security Force Expenses			**3111.91**	2487.86
15	Terminalling Charges			**2133.81**	2136.63
16	Provision for Probable Contingencies			**-**	1105.61
17	Expenses on CSR Activities	39		**918.18**	187.51
18	Miscellaneous Expenses	A		**1715.54**	2211.15
	TOTAL			**20122.98**	17199.06

A Miscellaneous Expenses Includes:

i) Expenditure on Public Relations and Publicity amounting to ₹ 261.36 Lakhs (2017 : ₹ 372.60 Lakhs). The ratio of annual expenditure on Public Relations and Publicity to the annual turnover (inclusive of excise duty) is 0.00006:1 (2017: 0.00009:1)

ii) Entertainment Expenses ₹ 27.77 Lakhs (2017: ₹ 29.43 Lakhs)

Note – 28 : OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

Sl. No	Particulars		31-Mar-18	31-Mar-17
A.	**Items that will not be reclassified to profit or loss:**			
1	Remeasurement of Defined Benefit Plans	942.87		(869.24)
			942.87	(869.24)
B.	**Income Tax relating to items that will not be reclassified to profit or loss:**			
1	Remeasurement of Defined Benefit Plans	(329.48)		300.83
			(329.48)	300.83
	TOTAL		**613.39**	(568.41)

Note – 29 : DISTRIBUTIONS MADE AND PROPOSED

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Cash dividends on Equity shares declared and paid:		
Final dividend for FY 16-17 declared and paid during the year ended 31st March2018: ₹ 21 per share; (for FY 15-16 declared and paid during the year ended 31st March 2017: ₹ 4 Per Share)	31271.39	5956.46
DDT on dividend paid	6366.12	1212.60
	37637.51	7169.06
Proposed dividends on Equity shares:		
Final dividend for year ended 31st March 2018: ₹ 18.50 per share (31st March 2017: ₹ 21 per share)	27548.61	31271.39
DDT on proposed dividend	5608.25	6366.12
	33156.86	37637.51

Proposed dividend on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability (including DDT thereon) as at 31st March 2018

Refer Note 16 A for Preference dividend

Note – 30 : EARNINGS PER SHARE (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31-Mar-18	31-Mar-17
Profit attributable to equity holders (₹ in lakhs)	**91292.83**	102975.18
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	**148911400**	148911400
Earning Per Share (Basic and Diluted) (₹)	**61.31**	69.15
Face value per share (₹)	**10.00**	10.00

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

(₹ in Lakhs)

Name of entity	Place of business	% of ownership Interest	Relationship	Carrying Amount
Indian Additives Limited	India	50%	Joint Venture	1183.40
National Aromatics and Petrochemical Corporation Limited	India	50%	Joint Venture	Nil

Note – 32 EMPLOYEE BENEFITS

Disclosures in compliance with Ind AS 19 on "Employee Benefits" is as under.

A. Defined Contribution Plans- General Description

Pension Scheme:

During the year, the company has recognised ₹ 2214.54 Lakhs (2017: ₹ 2286.41 Lakhs) towards Defined Contributory Employees Pension Scheme in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident & Other Funds in Note - 25/ Construction period expenses in Note-2.1)

During the year, the company has recognised ₹ 234.04 Lakhs (2017: ₹ 227.88 Lakhs) as contribution to EPS-95 in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident and Other Funds in Note - 25/ Construction period expenses in Note-2.1)

B. Defined Benefit Plans- General Description

1 **Provident Fund:**

The Company's contribution to the Provident Fund is remitted to separate provident fund trust established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company. The Provident Funds maintained by the PF Trust in respect of which actuarial valuation is carried out does not have any deficit as on 31st March 2018.

2 **Gratuity:**

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the eligible salary for every completed year of service subject to a maximum of ₹ 20 Lakhs at the time of separation from the company.

3 **Post Retirement Medical Scheme (PRMS):**

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

4 **Workman Compensation:**

The company pays an equivalent amount of 100 months salary to the family member of employee, if employee dies due to accidental death while he is on duty. This scheme is not funded by the company. The liability originates out of the workman compensation Act and Factory Act

C. Other Long-Term Employee Benefits - General Description

1 **Leave Encashment:**

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

2 **Long Service Award:**

On completion of specified period of service with the company and also at the time of retirement, employees are rewarded with Prepaid Card as per eligibility, based on the duration of service completed.

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

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

(i) Reconciliation of balance of Defined Benefit / Long Term Employee Benefit Obligations **(₹ in Lakhs)**

Particulars	Provident Fund Funded	Gratuity Funded	PRMS Non-funded
Defined Obligation at the beginning	**41,776.98** *37,257.61*	**7,997.52** *7,515.11*	**5,966.40** *5,036.99*
Current Service Cost	**1,991.64** *1,706.50*	**88.94** *66.50*	**331.60** *97.28*
Interest Cost	**3,658.05** *3,261.32*	**580.62** *600.46*	**444.50** *397.92*
Past Service Cost	**-** *-*	**6,622.82** *-*	**10,376.73** *-*
Benefits paid	**(3,429.83)** *(3,147.65)*	**(584.64)** *(413.33)*	**(348.76)** *(246.22)*
Employee Contribution	**3,077.71** *2,676.27*	**-** *-*	**-** *-*
Transferred from other company	**49.32** *22.92*	**-** *-*	**-** *-*
Actuarial (gain)/ loss on obligations	**-** *-*	**(558.32)** *228.78*	**(339.89)** *680.43*
Defined Benefit Obligation at the end of the year	**47,123.88** *41,776.98*	**14,146.95** *7,997.52*	**16,430.57** *5,966.40*

(ii) Reconciliation of balance of Fair Value of Plan Assets **(₹ in Lakhs)**

Particulars	Provident Fund Funded	Gratuity Funded
Fair Value of Plan Assets at the beginning of the year	**42,786.20** *37,958.29*	**8,027.30** *7,777.52*
Expected return on plan assets	**3,658.05** *3,261.32*	**44.66** *39.97*
Contribution by employer	**5,069.35** *4,382.77*	
Contribution by employees	**-** *-*	**-** *-*
Benefit paid	**(3,429.83)** *(3,147.65)*	**(469.31)** *(411.61)*
Transferred from other company	**49.32** *22.92*	**-** *-*
Interest Income	**-** *-*	**582.78** *621.42*
Actuarial gain / (losses)	**48.17** *308.54*	**-** *-*
Fair value of plan assets at the end of the year	**48,181.26** *42,786.20*	**8,185.43** *8,027.30*

(iii) Reconciliation of Fair Value of Plan Assets and Defined Benefit Obligation **(₹ in Lakhs)**

Particulars	Provident Fund	Gratuity
	Funded	Funded
Fair Value of Plan Assets at the end of the year	**48,181.26**	**8,185.43**
	42,786.20	*8,027.30*
Defined Benefit Obligation at the end of the year	**47,123.88**	**14,146.95**
	41,776.98	*7,997.52*
Amount recognised in the Balance Sheet	**-**	**5,961.52**
(As per para 64 of Ind AS-19)	-	*(29.78)*
Amount not recognised in the Balance Sheet	**(1,057.38)**	**-**
	(1,009.22)	-

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

Particulars	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Current Service Cost	**1,991.64**	**88.94**	**331.60**
	1,706.50	*66.50*	*97.28*
Interest Cost	**3,658.05**	**580.62**	**444.50**
	3,261.32	*600.46*	*397.92*
Expected (return) / loss on plan asset	**(3,658.05)**	**(582.78)**	**-**
	(3,261.32)	*(621.42)*	-
Contribution by Employees	**-**	**-**	**-**
	-	-	-
Past Service Cost	**-**	**6,622.82**	**10,376.73**
	-	-	-
Expenses for the year	**1,991.64**	**6,709.60**	**11,152.82**
	1,706.50	*45.54*	*495.20*

Gratuity expenditure for the year is reckoned net of of ₹ 6663.05 Lakhs provided in the previous year towards estimated increase in Gratuity ceiling.

(v) Amount recognised in Other Comprehensive Income (OCI) **(₹ in Lakhs)**

Particulars	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Actuarial (gain)/ loss on Obligations	**-**	**(558.32)**	**(339.89)**
	-	*228.78*	*680.43*
Remeasurement (Return on Plan Assets excl interest income)	**48.17**	**(44.66)**	**-**
	308.54	*(39.97)*	-
Net Loss / (Gain) recognized in OCI	**-**	**(602.98)**	**(339.89)**
	-	*188.81*	*680.43*
Net Loss / (Gain) not recognized in P&L / OCI	**(48.17)**	**-**	**-**
	(308.54)	-	-

(vi) Major Actuarial Assumptions **(₹ in Lakhs)**

Particulars	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Discount rate	**7.88%**	**7.88%**	**7.76%**
	7.26%	*7.26%*	*7.45%*
Expected return on plan assets	**8.65%**	**-**	**-**
	8.65%	-	-
Salary escalation	**-**	**8.00%**	**-**
	-	*8.00%*	-
Inflation	**-**	**-**	**7.00%**
	-	-	*7.00%*

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

(vii) Sensitivity on Actuarial Assumptions: **(₹ in Lakhs)**

Loss/(Gain) for:	Gratuity Funded	PRMS Non-funded
Change in Discounting Rate		
Increase by 1%	**(375.91)** *(237.65)*	
Decrease by 1%	**398.05** *252.55*	
Change in Discounting Rate		
Increase by 0.5%	- -	**(1,233.72)** *(467.43)*
Decrease by 0.5%	- -	**1,399.26** *532.00*
Change in Employee Turnover		
Increase by 0.5%	- -	**53.22** *15.68*
Decrease by 0.5%	- -	**(56.67)** *(16.64)*
Change in Employee Turnover		
Increase by 1%	**119.94** *103.90*	
Decrease by 1%	**(125.35)** *(108.84)*	
Change in Salary Escalation		
Increase by 1%	**87.27** *25.89*	- -
Decrease by 1%	**(91.09)** *(27.55)*	- -
Change in Inflation Rate		
Increase by 0.5%	- -	**1,412.50** *535.65*
Decrease by 0.5%	- -	**(1,255.41)** *(474.57)*

(viii) Investment details: **(₹ in Lakhs)**

Particulars	Provident Fund Funded	Gratuity Funded
Investment with Insurer	- -	**100.00%** *100.00%*
Self managed investments	**100.00%** *100.00%*	- -

Details of the investment pattern for the above mentioned funded obligations is as under.

Particulars	Provident Fund Funded	Gratuity Funded
Government securities (Central & State)	**44.22%** *36.04%*	**43.86%** *48.19%*
Investment in Equity / Mutual Funds	**5.28%** *2.74%*	**4.75%** *8.05%*
Investment in Debentures / Securities	**44.09%** *56.08%*	**47.17%** *38.93%*
Other approved investments (incl. Cash)	**6.41%** *5.14%*	**4.22%** *4.83%*

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

Cash Flow Projection from the Fund/Employer	Gratuity Funded	PRMS Non-Funded	Total
Within next 12 Months	**1,800.15**	**418.97**	**2,219.11**
	792.20	*136.74*	*928.94*
Between 2 to 5 Years	**6,845.35**	**2,320.30**	**9,165.65**
	3,445.12	*749.45*	*4,194.57*
Between 6 to 10 Years	**6,658.05**	**4,711.89**	**11,369.94**
	3,986.94	*1,589.97*	*5,576.91*

Cash Flow Projection from the Fund/Employer	Gratuity Funded	PRMS Non-Funded
Weighted Average Duration of Defined Benefit Obligation	**12 Years** *12 Years*	***16 Years*** *16 Years*

Note – 33 : COMMITMENTS AND CONTINGENCIES

A. Leases

Operating lease — as lessee

The company has taken certain assets (including office/residential premises/Land) on Operating Lease which are cancellable by giving appropriate notice as per the respective agreements. During the year ₹1739.10 Lakhs (2017: ₹2063.92 Lakhs) had been paid towards cancellable Operating Lease.

B Disclosure under Finance Lease as Lessee:

The company has entered into BOOT arrangement with IOT Infrastructure & Energy Services Limited in respect of LPG Bottling facilities for a period of 10 years. During the year, on completion of the contracted period of 10 years, the Lessor has transferred ownership of the assets to the company at Nil Value.

I Buildings taken on finance lease as lessee: **(₹ in Lakhs)**

	31-Mar-18	31-Mar-17
(i) Minimum lease payments		
- Within one year	-	160.75
- After one year but not more than five years	-	-
- More than five years	-	-
Total	-	160.75
(ii) Present value of minimum lease payments		
- Within one year	-	147.69
- After one year but not more than five years	-	-
- More than five years	-	-
Total	-	147.69
Add: Future finance charges	-	13.06
Total	-	160.75

II Plant & Equipments taken on finance lease as lessee:

	31-Mar-18	31-Mar-17
(i) Minimum lease payments		
- Within one year	-	203.05
- After one year but not more than five years	-	-
- More than five years	-	-
Total	-	203.05
(ii) Present value of minimum lease payments		
- Within one year	-	186.56
- After one year but not more than five years	-	-
- More than five years	-	-
Total	-	186.56
Add: Future finance charges	-	16.49
Total	-	203.05

The Net Carrying amount of the assets acquired under Finance Lease included in Note – 2.

	31-Mar-18	31-Mar-17
Buildings and Plant & Equipment	-	1646.96
	-	1646.96

C Contingent Liabilities

Contingent Liabilities amounting to ₹ 69142.11 Lakhs (2017: ₹ 65184.02 Lakhs) are as under:

(i) ₹ 2520.31 Lakhs (2017: ₹ 539.66 Lakhs) being the demands raised by the Central Excise /Customs/ Service Tax Authorities including interest of ₹ 807.62 Lakhs (2017: ₹ 189.74 Lakhs).

(ii) ₹ 52998.44 Lakhs (2017: ₹ 50592.22 Lakhs) being the demands raised by the VAT/ Sales Tax Authorities and includes no interest (2017:Nil).

(iii) ₹ 9815.98 Lakhs (2017: ₹ 10002.51 Lakhs) in respect of Income Tax demands including interest of ₹ 4802.51 Lakhs (2017: ₹ 2582.58 Lakhs).

(iv) ₹ 3807.38 Lakhs (2017: ₹ 4049.63 Lakhs) including ₹ 239.68 Lakhs (2017: ₹ 2241.64 Lakhs) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹ 867.83 Lakhs (2017: ₹ 827.75 Lakhs).

The Company has not considered those disputed demands/claims as contingent liabilities, for which, the outflow of resources has been considered as remote.

D Commitments

(i) Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account not provided for ₹ 115254.48 Lakhs (2017: ₹ 82208.01 Lakhs).

(ii) Other Commitments

The Company has an export obligation to the extent of ₹ 10145.90 Lakhs (2017: ₹ 59057.65 Lakhs) on account of concessional rate of customs duty availed under EPCG license scheme on import of capital goods.

Note - 34 "Related Party Disclosures" in compliance with Ind-AS 24, are given below:

1. Relationship with Entities

A. Details of Holding Company

i) Indian Oil Corporation Limited (IOCL)

The following transactions were carried out with Holding Company in the ordinary course of business: **(₹ in Lakhs)**

Particulars	31-Mar-2018	31-Mar-2017
• Sale of Product and Services	**3987040.30**	3682449.28
• Dividend on Preference Shares	**6650.00**	6650.00
• Dividend paid on Equity Shares	**16226.72**	3090.81
• Sale of Scrap / Catalyst	**15.36**	21.30
• Sale of Canteen Coupons	**4.00**	4.14
• EDP Maintenance	**253.01**	253.53
• Other Non operating Income	**320.25**	80.87
• Purchase of Raw Material	**31691.66**	49668.26
• Purchase of Stock-in-Trade	**19132.87**	15957.40
• Purchase of Stores & Spares	**495.57**	397.11
• Canalising commission	**250.00**	250.00
• Freight, Transportation and Demurrage	**836.50**	1036.51
• Rental Expenditure	**271.00**	350.31
• Creation of capital facilities by IOCL	**1004.10**	568.02
• Creation of capital facilities to IOCL	-	800.00
• Outstanding Receivables	**132247.06**	89385.37
• Outstanding payables		
Trade Payables	**402282.36**	114882.02
Preference Shares	**100000.00**	100000.00

B. Details of Joint Ventures

i) Indian Additives Limited

(₹ in Lakhs)

Particulars	31-Mar-2018	31-Mar-2017
• Investment	**1183.40**	1183.40
• Sale of Product	**4203.03**	4348.82
• Rental income	**56.04**	47.91
• Dividend received	**591.70**	591.70
• Sale of Water	**0.86**	-
• Outstanding Receivables	**160.50**	393.85

ii) National Aromatics & Petrochemicals Corp. Limited

(₹ in Lakhs)

Particulars	31-Mar-2018	31-Mar-2017
• Investments in Joint Venture Entities/ Associates*	**2.50**	2.50

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

C. Entities over which KMP has significant influence

i) CPCL Educational Trust

(₹ in Lakhs)

Particulars	31-Mar-2018	31-Mar-2017
• CSR Expenses	**61.80**	42.50
• Repayment of Loan by Trust	-	25.00
• Interest	-	2.14

D. Associates of Holding Company

i) IOT Infrastructure & Energy Services Limited

(₹ in Lakhs)

Particulars	31-Mar-2018	31-Mar-2017
• Terminalling / Bottling Charges	**1848.16**	2969.01
• Outstanding payable	**883.14**	107.81

E. Government related entities where significant transactions are carried out:

Apart from transactions reported above, the company has transactions with other Government related entities, which includes but not limited to the following:

Name of Government: Government of India (Central and State Government)

Nature of Transactions:

- Sale of Product and Services
- Purchase of Product
- Purchase of Raw Materials
- Handling and Freight Charges, etc.

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

2) Key Managerial Personnel

A. Whole Time Directors / Company Secretary

1) Shri.B.Ashok (Upto 31.05.2017)
2) Shri.Sanjiv Singh
3) Shri Gautam Roy (Upto 31.1.2018)
4) Shri S.Venkataramana (Upto 31.7.2017)
5) Shri U.Venkata Ramana
6) Shri S.Krishna Prasad (Upto 31.1.2018)
7) Shri.Farzad Bahrami
8) Shri.Mohammad Bagher Dakhili
9) Shri S.N. Pandey (w.e.f 01.02.2018)
10) Shri G.Aravindan (w.e.f 30.01.2018)
11) Shri P.Shankar

B. Independent / Government Nominee Directors

1) Shri .K.M.Mahesh (Upto 24.11.2017)
2) Shri .Mrutunjay Shaoo
3) Dr.P.B.Lohiya
4) Smt. Perin Devi (w.e.f . 24.11.2017)

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

For the Year ended 31-Mar-2018

(₹ in Lakhs)

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Sitting Fee	Outstanding loans/ advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri Gautam Roy	43.87	5.53	10.94	-	60.34	-	-
2) Shri S.Venkataramana	23.34	11.33	29.79	-	64.46	-	
3) Shri U.Venkata Ramana	48.29	5.23	6.34	-	59.86	-	1.64
4) Shri S.Krishna Prasad	33.26	5.11	3.83	-	42.20	-	-
5) Shri P.Shankar	39.19	5.66	4.41		49.26	-	4.05
6) Shri S.N. Pandey	5.01	1.13	-	-	6.14	-	0.74
7) Shri G.Aravindan	6.64	1.16		-	7.80	-	-
B. Independent / Government Nominee Directors#							
1) Shri Mrutunjay Sahoo	-	-	-	-	-	2.80	-
2) Dr.P.B.Lohiya	-	-	-	-	-	4.60	-
TOTAL	**199.60**	**35.15**	**55.31**	**-**	**290.06**	**7.40**	**6.43**

Sitting fees paid to Independent Directors

For the Year ended 31-Mar-2017

(₹ in Lakhs)

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Sitting Fee	Outstanding loans/ advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri Gautam Roy	40.90	6.58	-	-	47.48	-	-
2) Shri S.Venkataramana	31.49	10.37	-	-	41.86	-	3.45
3) Shri U.Venkata Ramana	31.66	6.12	-	-	37.78	-	-
4) Shri S.Krishna Prasad	40.13	6.11	-	-	46.24	-	-
5) Shri P.Shankar	31.95	8.92	-	-	40.87	-	5.25
B. Independent / Government Nominee Directors*							
1)Shri .Mrutunjay Shaoo	-	-	-	-	-	0.20	-
2)Dr.P.B.Lohiya	-	-	-	-	-	0.20	-
3)Shri .G.Ramaswamy	-	-	-	-	-	2.00	-
TOTAL	**176.13**	**38.10**	**-**	**-**	**214.23**	**2.40**	**8.70**

*Sitting fees paid to Independent Directors

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

3) Trusts

Transactions with Post Employment Benefit Plans managed through separate trust

(₹ in Lakhs)

SL. No	Name of the Trust	Post Employment Benefit Plan	31-Mar-18		31-Mar-17	
			Net Contribution	Outstanding Payable	Net Contribution	Outstanding Payable
A	CPCL Employees Provident Fund	Provident Fund	2012.22	437.28	1709.00	375.58
B	CPCL Employees Superannuation Benefit Fund	Pension Scheme	2112.71	217.28	2286.00	221.93
C	CPCL Employees Group Gratuity Trust	Gratuity	-	-	-	-

Note – 35 : FAIR VALUES

Set out below, is a comparison by class of the carrying amounts as per financial statements and fair value of the Company's financial instruments, along with the fair value measurement hierarchy:

(₹ in Lakhs)

Particulars	Carrying value		Fair value		
	As at 31-Mar-18	As at 31-Mar-17	**As at 31-Mar-18**	As at 31-Mar-17	**Fair value measurement hierarchy level**
Financial Assets					
Amortised Cost:					
Loans to employees	**4785.09**	4849.47	**4669.73**	4525.47	Level 2
Total	**4785.09**	4849.47	**4669.73**	4525.47	
Financial liabilities					
A. Borrowings:					
Amortised Cost:					
Non-Convertible Redeemable Bonds	**100000.00**	100000.00	**101453.61**	104157.56	Level 2
Finance lease obligation	**-**	334.25	**-**	334.25	Level 2
Preference Shares	**100000.00**	100000.00	**100809.08**	107325.00	Level 2
Term Loans from Banks - In Foreign Currency Loans	**32590.00**	32427.50	**32590.00**	32427.50	Level 2
Loans from financial Institutions	**206299.51**	317344.32	**206299.51**	317344.32	Level 2
Total	**438889.51**	550106.07	**441152.20**	561588.63	

Notes:

1. Levels under Fair Value measurement hierarchy are as follows:

(a) **Level 1** items fair valuation is based upon **market price quotation at each reporting date.**

(b) **Level 2** items fair valuation is based upon **Significant observable inputs like PV of future cash flows, MTM valuation, etc.**

(c) **Level 3** items fair valuation is based upon **Significant unobservable inputs wherein valuation done by independent valuer.**

2. The management assessed that Trade Receivables, Cash and Cash Equivalents, Bank Balances, Deposit for Leave Encashment Fund, Recoverable from Employee Benefits Trusts, Other Non-derivative Current Financial Assets, Short-term Borrowing, Trade Payables, Floating Rate Loans and Other Non-derivative Current Financial Liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

3. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Methods and assumptions

The following methods and assumptions were used to estimate the fair values at the reporting date:

Level 2 Hierarchy:

(i) **Derivative instruments at fair value through profit or loss viz.Foreign exchange forward contracts:** Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs are considered.

(ii) **Loans to employees, Loan to related parties, Security deposits paid and Security deposits received:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities

(iii) **Finance lease obligation:** For obligation arrived based on IRR, implicit rate applicable on the reporting date and for obligation arrived based on incremental borrowing rate, applicable rate for remaining maturity.

(iv) **Term Loans from Banks - In Foreign Currency:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities (Excluding floating rate borrowings)

(v) **Non Convertible Redeemable Preference shares :** The fair value of Preference shares is estimated by discounting future cash flows.

Note – 36 : FINANCIAL INSTRUMENTS AND RISK FACTORS

Financial Risk Factors

The Company's principal financial liabilities, other than derivatives, comprise Borrowings, trade and other payables, security deposits and employee liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include loans & advances, trade and other receivables, short-term deposits and cash / cash equivalents that derive directly from its operations. The company's requirement of crude oil imports are canalized through its holding company, Indian Oil Corporation Limited. The derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that trading in derivatives are taken only to hedge the various risks that the company is exposed to and not for speculation purpose.

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 2016-17 was reviewed by the Audit Committee and Board at the Meeting held on 15.05.2017 respectively and the Report for the year 2017-18 has been reviewed by the Audit Committee and Board at the Meeting held on 10.05.2018.

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

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The major components of market risk are interest rate risk, foreign currency risk, commodity price risk and other price risks etc. Financial instruments affected by market risk include Borrowings, Deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31st March 2018 and 31st March 2017

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions, and other non-financial assets.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March 2018 and 31st March 2017 including the effect of hedge accounting.

- The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at 31st March 2018.

Interest rate risk

The Company is also exposed to interest rate risk from the possibility that changes in interest rates will affect future cash flows of a financial instrument, principally financial debt. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's interest rate risk management includes to maintain a mix between fixed and floating rates for rupee and foreign currency loans, based on liquidity, availability of cost effective instruments and considering the market / regulatory constraints. As as 31st March 2018, approximately 93% of the Company's borrowings are at a fixed rate of interest (31st March 2017: 94%).

The sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, on floating rate borrowings is as follows:

Currency	Increase / Decrease	Effect on profit before tax	Increase / Decrease	Effect on profit before tax
	in basis points	**(₹ in Lakhs)**	in basis points	(₹ in Lakhs)
	31-Mar-18		31-Mar-17	
INR	**+50**	**-**	+50	-
US Dollar	**+50**	**(162.95)**	+50	(162.14)
INR	**-50**	**-**	-50	-
US Dollar	**-50**	**162.95**	-50	162.14

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years .

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and Borrowings.

The Company manages its foreign currency risk through combination of natural hedge, hedging undertaken on occurrence of pre-determined triggers as per the Risk management policy. The hedging is undertaken through forward contracts.

The sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant and the impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities is tabulated below. The Company's exposure to foreign currency changes for all other currencies is not material.

Currency	Increase / Decrease	Effect on profit before tax	Increase / Decrease	Effect on profit before tax
	in %	**(₹ in Lakhs)**	in %	(₹ in Lakhs)
	31-Mar-18		31-Mar-17	
US Dollar	**+5%**	**(20333.91)**	+5%	(7242.90)
	-5%	**20333.91**	-5%	7242.90

The effects of most exchange rate fluctuations are absorbed in business operating results which are offset by changing cost competitiveness, lags in market adjustments to movements in rates to its other non-financial assets like inventory etc. For this reason, the total effect of exchange rate fluctuations is not identifiable separately in the company's reported results.

Credit risk

Trade receivables

Customer credit risk is managed according to the Company's policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. Transactions other than with oil marketing companies are either generally covered by Letters of Credit, Bank Guarantees or cash-and-carry basis.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counter parties and within credit limits assigned to each counter party so as to minimize concentration of risks and mitigate consequent financial loss.

Liquidity risk

The Company monitors its risk of shortage of funds using detailed cash flow projections which is monitored closely on daily basis. The Company seeks to manage its liquidity requirement by maintaining access to both short term and long term debt markets. In addition, Company has committed credit facilities from banks. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, commercial papers, bank loans and debentures. and finance leases. The Company assessed the concentration of risk and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ in Lakhs)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended						
31-Mar-18						
Borrowings	206299.51	50000.00	100000.00	82590.00	-	438889.51
Trade payables	27411.85	416952.61	-	-	-	444364.46
Other financial liabilities	45566.70	87.25	10145.51	-	-	55799.46
	279278.06	**467039.86**	**110145.51**	**82590.00**	**-**	**939053.43**
Year ended						
31-Mar-17						
Borrowings	-	317344.32	-	232427.50	-	549771.82
Trade payables	34126.30	131089.67	-	-	-	165215.97
Other financial liabilities	32267.88	64.98	10145.51	-	-	42478.37
	66394.18	**448498.97**	**10145.51**	**232427.50**	**-**	**757466.16**

Excessive risk concentration

Substantial portion of the Company's sales is to the Holding Company, Indian Oil Corporation Limited. Consequently, trade receivables from IOCL are a significant proportion of the Company's receivables. Since the operations are synchronised with those of the Holding Company, for optimal results, the same does not present any risk.

Collateral

As the Company has been rated investment grade by various rating agencies, there has been no requirement of submitting any collateral for booking of derivative contracts. The Company undertakes derivatives contract only with those counter parties that have credit rating above the internally approved threshold rating. Accordingly, the Company does not seek any collaterals from its counter parties.

Note – 37: CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company monitors capital using debt equity ratio, which is borrowings divided by Equity. The Company's strategy is to keep the debt equity ratio in the range of 2:1 and 1:1. The Company also includes accrued interest in the borrowings for the purpose of capital management.

(₹ in Lakhs)

Particulars	**31-Mar-18**	31-Mar-17
Borrowings	438889.51	549771.82
Accrued Interest thereon	10232.76	10210.49
Total Borrowings	**449122.27**	559982.31
Equity Share Capital	14900.46	14900.46
Reserves and Surplus	370749.12	316480.41
Equity	**385649.58**	331380.87
Debt Equity Ratio	**1.16 : 1**	1.69 : 1

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

Note – 38 : RESEARCH AND DEVELOPMENT COSTS

Research and Development Expenses of ₹ 370.47 Lakhs(2017: ₹ 60.28 Lakhs) have been capitalized and ₹ 780.82 Lakhs (2017: ₹ 393.66 Lakhs) have been accounted for in the Statement of Profit and Loss during the year. Detailed break up of total expenditure is as under:

A. CAPITAL EXPENSES (FIXED ASSETS)

(₹ in Lakhs)

Asset Block	Gross Block as at 1 Apr 2017	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at 31 Mar 2018	Work-in-Progress as at 1 Apr 2017	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31 Mar 2018	Total Capital Expenditure
1	2	3	4	5	6 = (2+3+4-5)	7	8	9	10 = (7+8-9)	11=(3+8)
Fixed Assets										
Plant & Equipment	**1240.54**	327.00	-	-	**1567.54**	-	6.23	-	6.23	**333.23**
Office Equipment	**11.97**	15.86	-	-	**27.83**	-	-	-	-	**15.86**
Furniture & Fixtures	**1.56**	21.38	-	-	**22.94**	-	-	-	-	**21.38**
Sub Total	**1254.07**	**364.24**	**-**	**-**	**1618.31**	**-**	**6.23**	**-**	**6.23**	**370.47**
Total	**1254.07**	**364.24**	**-**	**-**	**1618.31**	**-**	**6.23**	**-**	**6.23**	**370.47**

B. RECURRING EXPENSES

(₹ in Lakhs)

Sl.No	Particulars	31-Mar-18	31-Mar-17
1	Consumption of Stores, Spares & Consumables	287.43	34.59
2	Repairs & Maintenance (a) Plant & Machinery	33.06	21.21
3	Payment to and Provisions for employees	434.58	320.63
4	Other Expenses	25.75	17.23
	Total	**780.82**	393.66

C. TOTAL RESEARCH EXPENSES

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Capital Expenditure	370.47	60.28
Recurring Expenditure	780.82	393.66
Total	**1151.29**	453.94

Note – 39 Disclosure relating to Corporate Social Responsibility (CSR) Expenditure

The disclosure in respect of CSR expenditure for Financial Year ended 2017-18 is as under:

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
(a) Gross amount required to be spent by the company during the year.		
Annual CSR Allocation	909.16	-
Carry forward from previous year	-	-
Gross amount required to be spent	**909.16**	**-**

(b) Amount spent during the year on:

(₹ in Lakhs)

	31-Mar-18			31-Mar-17		
	In cash	Yet to be paid In cash**	Total	In cash	Yet to be paid In cash**	Total
(i) Construction/acquisition of any assets	-	-	-	-	-	-
(ii) On purposes other than (i) above						
Health and Sanitation	116.69	-	116.69	41.25	-	41.25
Swachh Bharat	446.79	-	446.79	-	-	-
Education/employment vocational skills	107.50	-	107.50	2.00	-	2.00
Administration Expenses, training etc.	138.13	-	138.13	112.65	-	112.65
Drinking Water	20.94	-	20.94	-	-	-
Other expenses	88.13	-	88.13	31.61	-	31.61
Total Expenses (ii)	**918.18**	**-**	**918.18**	**187.51**	**-**	**187.51**
Grand Total (i) and (ii)	**918.18**	**-**	**918.18**	**187.51**	**-**	**187.51**

**Provisions made for liabilities incurred

Note 40 : EVENTS AFTER REPORTING PERIOD

1. The Board of Directors has recommended a dividend of 6.65% on the paid-up Preference Capital of the company, representing ₹ 0.665 per preference share and 185% on the paid-up Equity Capital of the company, representing ₹ 18.50 per equity share.

2. The Board of Directors of the Company at the meeting held on 05th April 2018, has accorded approval for the partial redemption of Non- Convertible Cumulative Redeemable Preference shares to the extent of ₹ 50000 Lakhs, out of the total outstanding amount of ₹ 100000 Lakhs. Accordingly, in terms of the issue, offer for partial redemption of Non-Convertible Cumulative Redeemable Preference shares to the extent of ₹ 50000 Lakhs, would be made to Indian Oil Corporation Limited. Based on the acceptance of the offer by IndianOil, further action in this regard would be initiated.

3.The Board of Directors of the Company at the meeting held on 05th April 2018 has accorded approval, (subject to the approval of the shareholders of the Company in the General Meeting)

a) For cancellation of unsubscribed equity share capital of ₹ 2086.89 Lakhs consisting of 2,08,68,900 equity shares of Rs.10/- each, comprising of partial subscription to Rights Issue made by the company in 1984, by the Government of India and non-subscription by Amoco India Inc., to the Rights Issue made by the company in 1984;

b) For cancellation of 2,19,700 forfeited equity shares of Rs.10/- each totaling ₹ 21.97 Lakhs (1,87,900 equity shares forfeited on 26.09.2003 and 31,800 equity shares forfeited on 26.10.2006)

Note – 41 : EXPOSURE TO FINANCIAL DERIVATIVES

Financial and Derivative Instruments:

1. All derivative contracts entered into by the Company are for hedging its foreign currency relating to underlying transactions and firm commitments and not for any speculative or trading purposes.

2. The company has No Outstanding forward contract as at 31st March 2018(2017 : NIL) which has been undertaken to hedge its exposure to borrowings and other financial liabilities.

3. Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2018 is given below:

(₹ in Lakhs)

Sl. No	Particulars	As on 31-Mar-18 Aggregate amount	As on 31-Mar-17 Aggregate amount
1	Unhedged- Payables	**434797.48**	157813.91
2	Unhedged- Receivables	**28119.19**	12955.92

Note – 42 : OTHER DISCLOSURES

1 Details of impairment loss in respect of Cauvery Basin Refinery

The Company has refineries at two locations viz., Manali and Nagapattinam (Cauvery Basin Refinery). Consequent to implementation of BS- IV specifications on a pan India basis w.e.f 01.04.2017 and in the absence of secondary treatment facilities, the BS – III grade of diesel production from CBR would not be marketable in the local market, entailing significant coastal/export under recoveries, which has adversely impacted the profitability of CBR and hence the value in use is negative. Accordingly, in line with the requirements of Ind AS -36, an amount of ₹ 432.77 Lakhs has been accounted as impairment loss during the year, being the difference between the carrying value of additions during the year ₹ 3345.16 Lakhs and the recoverable value of ₹ 1003.55 Lakhs after adjusting the impairment loss of ₹1908.84 Lakhs already accounted as part of Capital work in progress in previous year. This impairment loss has been recognised as part of Depreciation, Depletion and Amortisation of tangible and intangible assets in the statement of profit and loss as the carrying value of the assets is lower than the value in use/ estimated recoverable amount of this CGU. Total impairment loss recognized as on 31.03.2018 - ₹ 6611.41 Lakhs.

In estimating the value in use, the approximate weighted average capital cost has been considered as the discount rate used to calculate the net present value of the estimated future cash flows, which are subject to changes in the external environment.

The fair value less cost of disposal used to determine the recoverable amounts of the impaired assets are classified as level 3 fair value measurements (as detailed in statement of significant accounting policy no.4), as the estimated recoverable amounts are not based on observable market data, rather, management's best estimates. The results of impairment test are sensitive to changes in key judgements, such as changes in commodity prices, future changes in alternate use of assets etc, which could result in increase or decrease of the recoverable amounts and result in additional impairment charges or recovery of impairment charged.

2 Pay revision in respect of supervisory employees due from 01.01.2017 has been implemented based on receipt of presidential directives on 29.10.2017 and accounted accordingly. Pending finalization of revision in pay and benefits in respect of non - supervisory employees, provision of ₹ 3783 Lakhs, including consequential impact of retirement benefits has been reckoned during the year - Refer note 25.(2017: ₹ 11064 Lakhs for all employees)

3 The Employees Township at Cauvery Basin Refinery has been constructed on land area of thirty four acres and forty nine cents of land leased from a trust on five-year renewable basis.

4 As part of CSR activities, CPCL sponsors polytechnic college, for which twenty acres of land of the company has been leased to the CPCL Educational Trust for a period of 50 years.

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

(b) The company has valid title for all immovable properties. However, in respect of 186.86 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.

6 The Company's Property, Plant & Equipments and stores & spares were damaged due to the severe floods in Chennai during December 2015. As against the final claim amount of ₹ 607.13 Lakhs (replacement & repair cost net of deductibles), on account payment of ₹ 300.00 Lakhs received from the insurance company in FY 2015-16, has been disclosed as income in that year. In respect of damages suffered due to Vardha cyclone during December 2016, the Company has filed insurance claim for an estimated amount of ₹ 992.34 Lakhs (replacement cost after considering the deductibles). Final claim is yet to be lodged with the insurance company

7 Valuation of Finished Products:

The overall gross margin percentage for all joint products is subtracted from the final net realisable value of each product to arrive at the total cost of each product which is taken as the basis for valuation of closing stock of finished products. (Refer Policy No 7.2 in Note – 1 – "Statement of Significant Accounting Policies").

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

9 Previous year's comparative figures have been regrouped, reclassified and recast wherever necessary.

CONSOLIDATED FINANCIAL STATEMENTS 2017-18

INDEPENDENT AUDITORS' REPORT

To
The Members of Chennai Petroleum Corporation Limited
Chennai

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Chennai Petroleum Corporation Limited(hereinafter referred to as "the Holding Company") and its jointly controlled entities / Joint operations, comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Holding Company and its jointly controlled entities / Joint operations in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 / Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the Holding Company and its jointly controlled entities / Joint operations are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its jointly controlled entities / Joint operations and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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 the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

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

a) Of the consolidated state of affairs (financial position) of the Holding Company and its jointly controlled entities / Joint operations as at 31st March, 2018, and

b) their consolidated profit/loss (financial performance including other comprehensive income),

c) their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and jointly controlled entities / joint ventures and joint operations, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 / Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled entities / joint ventures and joint operations incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies / joint venture incorporated in India is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associate companies and jointly controlled entities/ joint ventures and joint operationsincorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

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

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

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

OTHER MATTERS

We did not audit the financial statements / financial information of two jointly controlled entities/ Joint operation, whose financial statements / financial information reflect total assets of ₹ 41,995.67 Lakhs and net assets of ₹ 30,488.19 Lakhs as at 31st March, 2018, total revenues of ₹ 65,285.93 Lakhs and net cash outflows amounting to ₹ 737.10 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the share of total comprehensive income of ₹ 1966.72 Lakhs for the year ended 31st March, 2018, as considered in the consolidated financial statements, in respect of jointly controlled entities / Joint operation, whose financial statements / financial information have not been audited by us. The financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled entity / operation, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid jointly controlled entity, is based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

For R.Subramanian and Company LLP
Chartered Accountants
FRN: 004137S / S200041

R.Kumarasubramanian
Partner
Membership No: 021888

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

V.C.Krishnan
Partner
Membership No:022167

Place: Chennai
Date: 10th May 2018

Annexure A to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Chennai Petroleum Corporation Limited ("the Holding Company") as of March 31, 2018 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

Other Matters

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

For R.Subramanian and Company LLP
Chartered Accountants
FRN: 004137S/S200041

R.Kumarasubramanian
Partner
Membership No: 021888

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

V.C.Krishnan
Partner
Membership No:022167

Place: Chennai
Date: 10th May 2018

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2018

(₹ in Lakhs)

	Particulars	Note	31-Mar-2018	31-Mar-2017
I	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment	2	588873.67	387783.12
	(b) Capital work-in-progress	2.1	140980.20	275660.74
	(c) Intangible assets	3	2478.98	500.32
	(d) Intangible assets under development	3.1	-	596.98
	(e) Investment in Joint Ventures	4	15244.10	13989.53
	(f) Financial Assets			
	(i) Investments	4.1	10.90	10.90
	(ii) Loans	5	3486.02	3378.93
	(iii) Other Financial Assets	6	4780.13	4740.67
	(g) Income tax assets (Net)	7	1159.91	-
	(h) Other non-current assets	8	4800.08	9750.35
			761813.99	696411.54
(2)	**Current assets**			
	(a) Inventories	9	475911.46	320705.75
	(b) Financial Assets			
	(i) Trade receivables	10	156948.45	103970.20
	(ii) Cash and cash equivalents	11	4.10	26.25
	(iii) Other bank balances	12	866.31	1666.73
	(iv) Loans	5	2346.65	2700.17
	(v) Other Financial Assets	6	2605.46	1119.44
	(c) Other current assets	8	30103.48	35686.30
			668785.91	465874.84
	TOTAL		1430599.90	1162286.38
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share capital	13	14900.46	14900.46
	(b) Other Equity	14	384799.74	329209.69
	LIABILITIES			
(1)	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	15	82590.00	232427.50
	(b) Provisions	17	23262.11	13314.97
	(c) Deferred tax liabilities (Net)	7	20619.84	2425.41
	(d) Other non-current liabilities	18	605.03	4037.61
			127076.98	252205.49
(2)	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	19	206299.51	317344.32
	(ii) Trade payables	20	444364.46	165215.97
	(iii) Other financial liabilities	16	205799.46	42478.37
	(b) Other current liabilities	18	38581.32	25465.68
	(c) Provisions	17	8777.97	13658.67
	(d) Current Tax Liabilities (Net)	7	-	1807.73
			903822.72	565970.74
	TOTAL		1430599.90	1162286.38

See accompanying notes to the financial statements **1-44**

(S N Pandey)
Managing Director

(Rajeev Ailawadi)
Director (Finance)

(P.Shankar)
Company Secretary

As per our attached Report of even date

For R.SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
(FRN: 004137S / S200041)

R. Kumarasubramanian
Partner
Membership No. 021888
Place : Chennai
Date : 10-May-2018

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 31ST MARCH 2018

(₹ in Lakhs)

	Particulars	Note	31-Mar-18	31-Mar-17
I.	**Revenue from operations**	21	**4418917.76**	4060738.26
II.	**Other income**	22	**3283.85**	3413.27
III.	**Total Income (I + II)**		**4422201.61**	4064151.53
IV.	**Expenses:**			
	Cost of materials consumed	23	**2931344.81**	2425578.38
	Purchase of Stock-in-Trade		**40062.17**	15957.40
	Changes in Inventories (Finished Goods and Work-In Progress)	24	**(60667.03)**	10554.05
	Excise Duty (including duty on inventory difference ₹ 5796.30 Lakhs (2017: ₹ (17152.05) Lakhs)		**1166118.54**	1291598.07
	Employee benefits expense	25	**58175.67**	51288.36
	Finance costs	26	**32085.63**	27278.21
	Depreciation and Amortisation expense on:			
	a) Tangible Assets		**33878.98**	27817.53
	b) Intangible Assets		**141.34**	45.54
	Impairment of Non Current Asset		**432.77**	6178.65
	Other expenses	27	**75329.55**	72006.96
	Total Expenses (IV)		**4276902.43**	3928303.15
V	**Profit/(Loss) before Exceptional items and tax (III - IV)**		**145299.18**	135848.38
VI	**Share of Profit of Joint Ventures**		**1954.21**	2,763.38
VII	**Exceptional Items**		**-**	-
VIII	**Profit/(Loss) before tax (V + VI + VII)**		**147253.39**	138611.76
IX	**Tax expense:**	7		
	(1) Current tax [Includes ₹ 3138.80 Lakhs(2017: NIL) relating to prior years]		**36666.33**	30803.18
	(2) Deferred tax [Includes ₹ 1523.25 Lakhs(2017: NIL) relating to prior years]		**17864.94**	2726.24
X	**Profit/(loss) for the year from continuing operations (VIII - IX)**		**92722.12**	105082.34
XI	Profit/(loss) from discontinued operations		**-**	-
XII	Tax expense of discontinuing operations		**-**	-
XIII	**Profit/(loss) from Discontinued operations(after tax) (X - XI)**		**-**	-
XIV	**Profit / (loss) for the year (X + XIII)**		**92722.12**	105082.34
XV	**Other Comprehensive Income**	28		
A.	(i) Items that will not be reclassified to profit or loss		**962.00**	(868.76)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	7	**(336.10)**	300.66
B.	(i) Items that will be reclassified to profit or loss		**-**	-
	(ii) Income Tax relating to items that will be reclassified to profit or loss		**-**	-
XVI	**Total Comprehensive Income for the year (XIV + XV) (Comprising Profit/ (Loss) and Other Comprehensive Income for the year)**		**93348.02**	104514.24
XVII	**Earning per equity share:**			
	(1) Basic (₹)		**62.27**	70.57
	(2) Diluted (₹)		**62.27**	70.57
	See accompanying notes to the financial statements	**1 - 44**		

(S N Pandey)
Managing Director

(Rajeev Ailawadi)
Director (Finance)

(P.Shankar)
Company Secretary

As per our attached Report of even date

For R.SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
(FRN: 004137S / S200041)

R. Kumarasubramanian
Partner
Membership No. 021888

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

V.C. Krishnan
Partner
Membership No. 022167

Place : Chennai
Date : 10-May-2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2018

(a) Equity Share Capital **(₹ in Lakhs)**

	Equity shares of ₹10 each issued, subscribed and fully paid	Subscribed, called-up and paid-up share capital	Add: Forfeited shares (amount originally paid up)	Total paid-up equity share capital
At 31 March 2017	148911400	14891.14	9.32	14900.46
At 31 March 2018	**148911400**	**14891.14**	**9.32**	**14900.46**

(b) Other equity **(₹ in Lakhs)**

	Reserves and Surplus					
	Securities Premium	Debenture Redemption Reserve	Capital Redemption reserve	Retained earnings	General reserve	Total
As at 1 April 2016	25003.82	15000.00	20000.00	(161032.35)	333013.51	**231984.97**
Profit for the Year	-	-	-	105082.34	-	**105082.34**
Other comprehensive income (Remeasurement of gain or loss on defined benefit plan)	-	-	-	-	(568.10)	**(568.10)**
Total comprehensive income	-	-	-	105082.34	(568.10)	**104514.24**
Transfer to Retained Earnings	-	-	-	-	-	**-**
Transfer to Capital Redemption Reserve	-	-	20000.00	(20000.00)	-	**-**
Transfer to Debenture Redemption Reserve	-	5000.00	-	(5000.00)	-	**-**
Dividend for FY 15-16	-	-	-	(5956.46)	-	**(5956.46)**
Dividend distribution tax (DDT) of FY 15-16	-	-	-	(1333.06)	-	**(1333.06)**
At 31 March 2017	**25003.82**	**20000.00**	**40000.00**	**(88239.53)**	**332445.41**	**329209.69**

(₹ in Lakhs)

	Reserve and Surplus					
	Securities Premium	Debenture Redemption Reserve	Capital Redemption reserve	Retained earnings	General reserve	Total
As at 1 April 2017	25003.82	20000.00	40000.00	(88239.54)	332445.41	329209.69
Profit for the Year	-	-	-	92722.12	-	92722.12
Other comprehensive income (Remeasurement of gain or loss on defined benefit plan)	-	-	-	-	625.90	625.90
Total comprehensive income	-	-	-	92722.12	625.90	93348.02
Transfer to Retained Earnings	-	-	-	-	-	-
Transfer to Capital Redemption Reserve	-	-	20000.00	(20000.00)	-	-
Transfer to Debenture Redemption Reserve	-	5000.00	-	(5000.00)	-	-
Dividend for FY 16-17	-	-	-	(31271.39)	-	(31271.39)
Dividend distribution tax (DDT) of FY 16-17	-	-	-	(6486.58)	-	(6486.58)
At 31 March 2018	**25003.82**	**25000.00**	**60000.00**	**(58275.39)**	**333071.31**	**384799.74**

(S N Pandey)
Managing Director

(Rajeev Ailawadi)
Director (Finance)

(P.Shankar)
Company Secretary

As per our attached Report of even date

For R. SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
(FRN : 004137S / S200041)

R. Kumarasubramanian
Partner
Membership No. 021888
Place : Chennai
Date : 10-May-2018

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

V.C. Krishnan
Partner
Membership No. 022167

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in Lakhs)

	Particulars	31-Mar-18	31-Mar-17
A	**Cash Flow from Operating Activities**		
1	**Profit Before Tax**	**147253.39**	138611.76
2	**Adjustments for :**		
	Depreciation of property, plant and equipment	**33878.98**	27817.53
	Impairment of Non Current Asset	**432.77**	6178.65
	Unclaimed / Unspent liabilities written back	**(232.76)**	(415.19)
	Loss/(gain) on disposal of property, plant and equipments (net)	**205.99**	351.13
	Amortisation and impairment of intangible assets	**141.34**	45.54
	Amortisation of Government Grants	**(3387.66)**	(222.76)
	Net Exchange Differences	**162.50**	(1014.20)
	Provision for Probable Contingencies (net)	**-**	1105.61
	Provision for Capital work-in-progress	**(0.18)**	237.70
	Provision for Doubtful Debts, Advances and Claims	**67.83**	1082.80
	Provision for Stores (net)	**465.17**	220.80
	Finance income	**(1551.58)**	(1572.80)
	Finance costs	**32085.63**	27278.21
	Share of Joint Ventures	**(1954.21)**	(2763.38)
3	**Operating Profit before Working Capital Changes (1+2)**	**207567.21**	196941.40
4	**Change in Working Capital:**		
	(Excluding Cash & Cash equivalents)		
	Trade & Other Receivables	**(42991.63)**	(29523.64)
	Inventories	**(155670.88)**	(3400.21)
	Trade and Other Payables	**298693.69**	(88145.14)
	Provisions	**5679.83**	13905.56
	Change in Working Capital	**105711.02**	(107163.43)
5	**Cash Generated From Operations (3+4)**	**313278.23**	89777.97
6	**Less : Taxes paid**	**(37609.68)**	(28904.23)
7	**Net Cash Flow from Operating Activities (5-6)**	**275668.55**	60873.74
B	**Cash Flow from Investing Activities:**		
	Proceeds from sale of Property, plant and equipment/Transfer of Assets	**22.23**	14.93
	Purchase of Property, plant and equipment	**(99085.16)**	(119110.56)
	Interest received (Finance Income)	**1551.58**	1572.80
	Dividend Income	**591.70**	591.70
	Net Cash Generated/(Used) in Investing Activities:	**(96919.65)**	(116931.13)
C	**Net Cash Flow From Financing Activities:**		
	Proceeds from Long-Term Borrowings (Including finance lease)	**-**	33441.70
	Repayments of Long-Term Borrowings (Including finance lease)	**(334.25)**	(334.25)
	Proceeds from/(Repayments of) Short-Term Borrowings	**(111044.81)**	61296.07
	Interest paid	**(29754.47)**	(31160.00)
	Dividends paid	**(31271.39)**	(5956.46)
	Dividend distribution tax paid	**(6366.12)**	(1212.60)
	Net Cash Generated/(Used) from Financing Activities:	**(178771.04)**	56074.46
D	**Net Change in Cash & cash equivalents (A+B+C)**	**(22.15)**	17.07
E - 1	Cash & cash equivalents as at end of the year	**4.10**	26.25
E - 2	Cash & cash equivalents as at beginning of the year	**26.25**	9.18
	NET CHANGE IN CASH & CASH EQUIVALENTS (E 1- E 2)	**(22.15)**	17.07

Notes :

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

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

Financial Liabilities	**As at 31.03.2016**	**Cash Flow**	**Non-cash Changes**		**As at 31.03.2017**
			Acquisition	**Foreign exchange**	
Long Term Borrowings (Including Other Current Financial Liability)	200000.00	33441.70		(1014.20)	232427.50
Short Term Borrowings	256048.25	61296.07			317344.32
Finance Lease Liabilites	668.50	(334.25)			334.25

Financial Liabilities	**As at 31.03.2017**	**Cash Flow**	**Non-cash Changes**		**As at 31.03.2018**
			Acquisition	**Foreign exchange**	
Long Term Borrowings (Including Other Current Financial Liability)	232427.50	-		162.50	232590.00
Short Term Borrowings	317344.32	(111044.81)			206299.51
Finance Lease Liabilites	334.25	(334.25)			-

(S N Pandey)
Managing Director

(Rajeev Ailawadi)
Director (Finance)

(P.Shankar)
Company Secretary

As per our attached Report of even date

For R.SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
(FRN: 004137S / S200041)

R. Kumarasubramanian
Partner
Membership No. 021888
Place : Chennai
Date : 10-May-2018

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

V.C. Krishnan
Partner
Membership No. 022167

Note-1A Corporate Information & Significant Accounting Policies

A. Corporate Information

The consolidated financial statements of "Chennai Petroleum Corporation Limited" ("Company" or "CPCL") are for the year ended 31st March 2018.

CPCL is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at 536, Anna Salai, Teynampet, Chennai- 600018. (CIN – L40101TN1965GOI005389)

CPCL together with its joint ventures and associates is herein after referred to as Group.

The Group is in the business of refining crude oil to produce & supply various petroleum products, manufacture and sale of lubricating oil additives.

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

The consolidated financial statements were approved for issue in accordance with a resolution of the Board of directors on May 10th 2018.

B. Amendments to Standards effective 1st April,2017

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

Effective April 1st, 2017, the Company adopted the amendment to IndAS7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash changes. Further, the amendment suggest inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment will have impact only on disclosures in relation to cash flow statement within the financial statements.

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

Effective April 1st, 2017, amendment to Ind AS 102 specifies the accounting for cash-settled share based payments or share based payments with a net-settled feature. The same is not relevant to the Company as it does not have any transactions of this nature.

C. Standards issued but not yet effective

On March 28th, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration and the Ind AS 115, Revenue from Contract with Customers. They shall come into force from April 1st, 2018. The information that is expected to be relevant to the financial statements is provided below.

- **Amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates**

The amendment to Ind AS 21, Foreign currency transactions and advance consideration clarifies the date of the transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The Company will adopt the standard on April 1st, 2018. The effect on adoption of Ind AS 21 is expected to be insignificant.

- **Amendments to Ind AS 115, Revenue from Contract with Customers**

  The Ind-AS 115 Revenue from Contract with Customers supersedes Ind-AS 11 Construction Contracts and Ind-AS 18 Revenue. The amendment is not relevant for the company as it does not have any revenue from construction contracts. The standard is effective for periods beginning on or after April 1st, 2018.

D. Significant Accounting Policies

1. BASIS OF PREPARATION / CONSOLIDATION

1.1. The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and with Companies (Indian Accounting Standards) (Amendment) Rules, 2016 & Companies (Indian Accounting Standards) (Amendment) Rules, 2017 and comply in all material aspects with the relevant provisions of the Act.

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

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

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

1.2. BASIS OF CONSOLIDATION

1.2.1 Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the entities.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity then discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

1.2.2 Interest in Joint operations

For the interest in joint operations, the Group recognises:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Share of the revenue from the sale of the output by the joint operation
- Expenses, including its share of any expenses incurred jointly

2. FIXED ASSETS

2.1. Property, Plant and Equipment (PPE)

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

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

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

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

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

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

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

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

2.2. Construction Period Expenses on Projects:

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

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

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

2.3. Capital Stores (included in CWIP)

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

2.4. Intangible assets

2.4.1. Technical know-how / license fee relating to production process and process design are recognized as Intangible Assets and amortized on a straight line basis over the life of the underlying plant/ facility.

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

2.4.3. Cost incurred on computer software/licenses purchased resulting in future economic benefits, other than specific software that are integral part of the related hardware, are capitalised as Intangible Asset and amortised over a period of three years beginning from the quarter in which such software is capitalised.

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

2.4.5. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

2.4.6. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life on straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

2.5. Depreciation / Amortisation

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

Depreciation / Amortisation is charged pro-rata on quarterly basis on assets, from / upto the quarter of capitalization / sale, disposal / or earmarked for disposal. Residual value is generally considered between 0 to 5% of cost of assets. Further, in case of catalyst with noble metal content, residual value is considered based on the cost of metal content.

The Group depreciates components of the main assets that are significant in value and have different useful lives as compared to the main assets separately. The Group depreciates capitalized spares/stores over the life of the spare/store from the date it is available for use.

2.5.2. Assets, costing up to ₹ 5,000/- per item are depreciated fully in the year of capitalization. Further, spares, components like catalyst excluding noble metal content and major overhaul/inspection are also depreciated fully over their respective useful life.

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

3. LEASES

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

3.1.2. Operating Leases as a lessee

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

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

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

3.1.3. Operating Leases as a lessor

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

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

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

3.1.4. Finance leases as lessee

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

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

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

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

4. IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 10 years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the tenth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

5. BORROWING COSTS

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

6. FOREIGN CURRENCY TRANSACTIONS

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

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

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

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

6.5 Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of profit or loss either under the head foreign exchange fluctuation or interest cost, as the case may be.

7. INVENTORIES

7.1. Raw Materials & Stock-in-Process

7.1.1. Crude oil is valued at cost determined on weighted average basis or net realizable value, whichever is lower.

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

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

7.2. Finished Products and Stock-in-Trade

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

7.3. Stores and Spares

7.3.1. Stores and spares are valued at weighted average cost.

7.3.2. In case of declared surplus/obsolete stores and spares, provision is made for likely loss on sale/disposal and charged to revenue. Further, provision is made to the extent of 97 per cent of the value of non moving inventory of stores and spares (excluding maintenance, repair & operation items, pumps and compressors) which have not moved for more than six years. Stores and spares in transit are valued at cost.

7.3.3. Spent catalysts (including noble metal content thereof) are valued at lower of the weighted average cost or net realizable value.

8. PROVISIONS, CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

8.1. Provisions

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

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

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

8.2. **Contingent Liabilities**

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

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

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

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

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

8.3. **Capital Commitments**

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

9. REVENUE RECOGNITION

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

9.2. The Group has assumed that the recovery of excise duty flows to the Group on its own account and hence, revenue includes excise duty. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) / Goods & Service Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

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

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

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

9.5. Claims (including interest on outstanding claims) are recognized at cost when there is reasonable certainty regarding its ultimate collection. Insurance claims are recognised based on acceptance.

9.6. Claims on Petroleum Planning and Analysis Cell (Formerly known as Oil Coordination Committee) /Government arising on account of erstwhile Administered Pricing Mechanism / notified schemes are booked on acceptance in principle thereof. Such claims and provisions are booked on the basis of available instructions /clarifications subject to final adjustment as per separate audit.

10. EXCISE DUTY

10.1. Excise duty on applicable products is accounted on the basis of both, payments made in respect of goods cleared as also provision made for goods lying in stock. Value of stock includes excise duty payable / paid on finished goods wherever applicable.

11. TAXES ON INCOME

11.1. Current income tax

Provision for current tax is made as per the provisions of the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

11.2. Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences

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

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

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

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

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

13. EMPLOYEE BENEFITS

13.1. Short Term Benefits

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

13.2. Post-Employment Benefits and Other Long Term Employee Benefits

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

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

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

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

13.3. Termination Benefits

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

13.4. Remeasurements

Remeasurements, comprising of actuarial gains and losses, the effect of the changes in asset ceiling, (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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

- the date of the plan amendment or curtailment, and
- the date that the Group recognises related restructuring costs

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

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

14. GRANTS

14.1. Capital Grants

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

14.2. Revenue Grants

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

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

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

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate or NIL interest rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

15. CURRENT VERSUS NON-CURRENT CLASSIFICATION

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

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

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

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

15.4. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

15.5. The Group classifies all other liabilities as non-current.

16. FINANCIAL INSTRUMENTS

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

16.1. Financial assets

16.1.1. Initial recognition and measurement

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

16.1.2. Subsequent measurement

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

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

16.1.3. Financial Assets at amortised cost

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

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

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

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

16.1.4. Debt instrument at FVTOCI

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

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

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

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

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

16.1.5. Equity instrument at FVTOCI

A. Equity investments (Other than subsidiaries, JVs and associates)

All equity investments in scope of Ind AS 109 are measured at fair value. The Group has made an irrevocable election to present subsequent changes in the fair value in other comprehensive income, excluding dividends. The classification is made on initial recognition/transition and is irrevocable. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

B. Equity investments in JVs and associates

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

16.1.6. Debt Instruments and derivatives at FVTPL

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

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

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

16.1.7. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

16.2. Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance; and

b. Lease receivables under Ind AS 17

Simplified Approach

The Group follows 'simplified approach' for recognition of impairment loss allowance, if any, on Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

General Approach

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

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

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

16.3. Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives, if any, are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative instrument Initial recognition / Subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Commodity contracts

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

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

17. FAIR VALUE MEASUREMENT

17.1. The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

17.2. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

17.3. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

17.4. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

17.5. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
In case of Level 3 valuations, External valuers are also involved in some cases.

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

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

19. CASH FLOW STATEMENT

Cash flow statement are reported using the indirect method, whereby net profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

Note – 1B : SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. These include recognition and measurement of financial instruments, estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, measurement of employee benefits, actuarial assumptions, provisions etc.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

JUDGEMENTS

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

Contingencies

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

ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans / Other Long term employee benefits

The cost of the defined benefit plans and other long term employee benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. The management considers the interest rates of government securities based on expected settlement period of various plans.

Further details about various employee benefit obligations are given in Note 32.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model based on level-2 and level-3 inputs. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as price estimates, volume estimates, rate estimates etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also refer Note-35 for further disclosures of estimates and assumptions.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less cost of disposal used to determine the recoverable amounts of the impaired assets are not based on observable market data, rather , management's best estimates. The value in use calculation is based on a DCF model. The cash flows do not include impact of significant future investments that may enhance the asset's performance of the CGU being tested. The results of impairment test are sensitive to changes in key judgements, such as changes in commodity prices, future changes in alternate use of assets etc, which could result in increase or decrease of the recoverable amounts and result in additional impairment charges or recovery of impairment charged.

Refer Note 42.1 on impairment recognized during the year.

Note – 2 : PROPERTY, PLANT AND EQUIPMENT

Current Year:

(₹ in Lakhs)

	Particulars	Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant and Equipment	Office Equipments	Transport Equipments	Furniture and Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	Total
GROSS BLOCK		Note: A			Note: B				Note: C		Note: E
	Gross Block as at 1st April 2017	4004.68	591.99	13721.99	421896.55	1707.76	955.52	884.82	0.30	1873.33	445636.94
	Additions during the Year	425.89	-	4562.81	231171.31	556.50	138.94	526.64	-	157.28	237539.37
	Disposals/ Deductions/ Transfers to Held for Sale / Reclassifications	-	-	(5.35)	(194.75)	(42.87)	(14.34)	(48.35)	-	-	(305.66)
	Gross Block as at 31st March 2018	**4430.57**	**591.99**	**18279.45**	**652873.11**	**2221.39**	**1080.12**	**1363.11**	**0.30**	**2030.61**	**682870.65**
DEPRECIATION, AMORTISATION AND IMPAIRMENT	Depreciation and Amortisation as at 1st April 2017	-	14.08	1438.70	50798.56	689.31	92.59	354.15	-	224.84	53612.23
	Depreciation and Amortisation during the Year:	-	7.04	571.77	32473.65	450.50	75.73	201.44		98.85	33878.98
	Disposals/ Deductions/ Transfers to Held for Sale / Reclassifications	-	-	(0.36)	(35.14)	(23.46)	(0.67)	(17.83)	-	0.02	(77.44)
	Total Depreciation and Amortisation upto 31st March 2018	**-**	**21.12**	**2010.11**	**83237.07**	**1116.35**	**167.65**	**537.76**	**-**	**323.71**	**87413.77**
	Total Impairment Loss as at 1st April 2017	-	-	1469.74	2752.80	-	-	-	-	19.06	4241.60
	Impairment Loss during the Year (Note: D)	-	-	6.63	2334.98	-	-	-	-	-	2341.61
	Impairment loss reversed during the Year	-	-	-	-	-	-	-	-	-	-
	Total Impairment Loss upto 31st March 2018	**-**	**-**	**1476.37**	**5087.78**	**-**	**-**	**-**	**-**	**19.06**	**6583.21**
NET BLOCK	**AS AT 31st March 2018**	**4430.57**	**570.87**	**14792.97**	**564548.26**	**1105.04**	**912.47**	**825.35**	**0.30**	**1687.84**	**588873.67**
	AS AT 31st March 2017	4004.68	577.91	10813.55	368345.19	1018.45	862.94	530.67	0.30	1629.43	387783.12

Previous Year:

(₹ in Lakhs)

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

A. Gross block of Land includes ₹ 18.36 Lakhs deposited towards 50.93 acres of Land for which assignment deed is yet to be received from Govt. of TamilNadu.
B. The cost of assets includes EPCG benefit (net of CENVAT), wherever applicable
C. Represents 5/24 share of total cost of the Railway Siding jointly owned by the Company along with Madras Fertilizers Limited, Madras Petrochem Limited, Steel Authority of India Limited and Rashtriya Ispat Nigam Limited.
D. Impairment loss pertains to Cauvery Basin Refinery (refer Note 42.1)
E. The cost of assets are net of GST/VAT CREDIT/CENVAT, wherever applicable.

Details of assets under finance lease included above (Refer-Note-15(D)&33(B))

(₹ in Lakhs)

	Particulars	Plant and Equipment	Buildings	Total
GROSS BLOCK	Gross Block as at 1st April 2017	995.33	825.54	1820.87
	Additions during the Year			
	Reclassification	(995.33)	(825.54)	(1820.87)
	Gross Block as at 31st March 2018	-	-	-
DEPRECIATION AND AMORTISATION	Depreciation and Amortisation as at 1st April 2017	103.06	70.85	173.91
	Depreciation and Amortisation during the Year	38.65	26.57	65.22
	Reclassification	(141.71)	(97.42)	(239.13)
	Total Depreciation and Amortisation upto 31st March 2018	-	-	-
NET BLOCK	**AS AT 31st March 2018**	-	-	-
	AS AT 31st March 2017	892.27	754.69	1646.96

Additions to Gross Block Includes: **(₹ in Lakhs)**

Asset Particulars	Borrowing Cost	
	31-Mar-18	31-Mar-17
Buildings	**507.72**	-
Plant and Equipment	**17681.67**	
Total	**18189.39**	-

Note – 2.1 : CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Sl.No	Particulars	Note		31-Mar-18	31-Mar-17
1	Construction Work in Progress - Fixed Assets				
	(Including unallocated capital expenditure, materials at site)				
	Balance as at beginning of the year		276675.20		165970.69
	Add: Additions during the year		96149.04		114598.24
	Less: Allocated/ Capitalised during the year		231377.32		3893.73
			141446.92		276675.20
	Less: Provision for Capital Losses		1307.66		1307.84
	Less: Impairment Loss	A	-		1908.84
				140139.26	273458.52
2	Capital stores balance as at beginning of the year		2502.79		2708.70
	Add: Additions during the year		29422.05		6106.11
	Less: Allocated during the year		30799.31		6312.02
			1125.53		2502.79
	Less: Provision for Capital Losses		300.57		300.57
	Capital stores			**824.96**	2202.22
3	Capital Goods in Transit			**15.98**	-
4	Construction Period Expenses pending allocation:				
	Net expenditure during the year (Note -"2.2")		11925.16		11717.10
	Less: Allocated during the year		11925.16		11717.10
			-		-
	TOTAL	**B**		**140980.20**	275660.74

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

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

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

(₹ in Lakhs)

	Particulars	31-Mar-18	31-Mar-17
1	Employee Benefit expenses	**1804.35**	1311.05
2	Power & Fuel	**2275.03**	282.69
3	Finance Cost	**7745.35**	10046.42
4	Travelling Expenses and Others	**100.43**	76.94
	Net Expenditure during the year	**11925.16**	11717.10
	Effective weighted average interest rate of borrowings eligible for capitalisation (Rate in %)	**7.92**	8.51

Note – 3: INTANGIBLE ASSETS
(1) Intangible assets with definite useful life
Current Year :

(₹ in Lakhs)

	Particulars	Computer Software	Technical Know-How, Royalty and Licenses	Total
GROSS BLOCK	Gross Block as at 1st April 2017	81.18	576.01	657.19
	Additions during the Year	9.71	2110.29	2120.00
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Gross Block as at 31st March 2018	**90.89**	**2686.30**	**2777.19**
AMORTISATION AND IMPAIRMENT	Amortisation as at 1st April 2017	56.42	99.13	155.55
	Amortisation during the Year	12.49	128.85	141.34
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Total Amortisation upto 31st March 2018	**68.91**	**227.98**	**296.89**
	Total Impairment Loss as at 1st April 2017	1.32	-	1.32
	Impairment Loss during the Year (A)	-	-	-
	Impairment loss reversed during the Year	-	-	-
	Total Impairment Loss upto 31st March 2018	**1.32**	**-**	**1.32**
NET BLOCK	**AS AT 31st March 2018**	**20.66**	**2458.32**	**2478.98**
	AS AT 31st March 2017	23.44	476.88	500.32

Previous Year :

(₹ in Lakhs)

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

(2) Intangible assets with indefinite useful life

Current Year :

(₹ in Lakhs)

	Particulars	Right of Way
GROSS BLOCK	Gross Block as at 1st April 2017	26.88
	Additions during the Year	-
	Disposals/ Deductions/Transfers to Held for Sale/ Reclassifications	-
	Gross Block as at 31st March 2018	**26.88**
AMORTISATION AND IMPAIRMENT	Total Impairment Loss as at 1st April 2017	26.88
	Impairment Loss during the Year (A)	-
	Impairment loss reversed during the Year	-
	Total Impairment Loss upto 31st March 2018	**26.88**
NET BLOCK	**AS AT 31st March 2018**	-
	AS AT 31st March 2017	-

Previous Year : (₹ in Lakhs)

	Particulars	Right of Way
GROSS BLOCK	Gross Block as at 1st April 2016	26.88
	Additions during the Year	-
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-
	Gross Block as at 31st March 2017	**26.88**
AMORTISATION AND IMPAIRMENT	Total Impairment Loss as at 1st April 2016	
	Impairment Loss during the Year (A)	26.88
	Impairment loss reversed during the Year	-
	Total Impairment Loss upto 31st March 2017	**26.88**
NET BLOCK	**AS AT 31st March 2017**	-
	AS AT 31st March 2016	26.88

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

Note – 3.1 : INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Lakhs)

Particulars		31-Mar-18	31-Mar-17
Work in Progress - Intangible Asset:			
Balance as at beginning of the year	596.98		596.98
Add: Net expenditure during the year	1513.31		-
	2110.29		596.98
Less: Allocated during the year	2110.29		-
	-		596.98
		-	596.98
TOTAL		-	596.98

Note : Pertains to Property, Plant and Equipment under construction

Note – 4 : INVESTMENT IN JOINT VENTURES

(₹ in Lakhs)

Sl. No	Particulars	No. and Particulars	Face Value per share (₹)	Non-current	
				31-Mar-18	31-Mar-17
I	**Investments in equity shares**				
1	**Unquoted:**				
a)	**Investment in Joint Venture Companies:**				
	Indian Additives Ltd.	1183401 Equity Shares fully paid	100	**1183.40**	1183.40
	Add: Share of Other Equity (inclusive of OCI)			**14060.70**	12806.13
	National Aromatics and Petrochemical Corporation Limited	25000 Equity Shares fully paid	10	**2.50**	2.50
	Less: Provision for Diminution			**2.50**	2.50
				-	-
	TOTAL			**15244.10**	**13989.53**
	Aggregate value of unquoted investments			**15246.60**	**13992.03**
	Aggregate amount of provision for value of investments			**2.50**	**2.50**

Note – 4.1 : INVESTMENTS

(₹ in Lakhs)

Sl. No	Particulars	No. and Particulars	Face Value per share (₹)	Non-current	
				31-Mar-18	31-Mar-17
I	**Other Investments:**				
	Investments at fair value through OCI (fully paid):				
a)	Biotech Consortium India Ltd	100000 Equity Shares fully paid	10	**10.00**	10.00
b)	MRL Industrial Cooperative Service Society Ltd	9000 Shares fully paid	10	**0.90**	0.90
	TOTAL	**A**		**10.90**	10.90
	Aggregate value of unquoted investments			**10.90**	10.90
	Aggregate amount of impairment in value of investments			-	-

A Fair Value approximates carrying value

Note – 5 : LOANS

(₹ in Lakhs)

SL. No	Particulars	Note	Non-current 31-Mar-18	Non-current 31-Mar-17	Current 31-Mar-18	Current 31-Mar-17
1	**Security Deposits**					
	To Others					
	i) Unsecured, Considered Good		**92.94**	84.90	**954.64**	1144.73
2	**Loans:**					
	To Related Parties					
	i) Secured, Considered Good	A.1	3.58	3.74	0.90	0.84
	ii) Unsecured, Considered Good	A.2	0.24	1.84	1.71	2.28
			3.82	5.58	**2.61**	3.12
	To Others					
	i) Secured, Considered Good		2131.56	2054.28	565.62	467.15
	ii) Unsecured, Considered Good		1257.70	1234.17	823.78	1085.17
			3389.26	3288.45	**1389.40**	1552.32
	Sub Total		**3393.08**	3294.03	**1392.01**	1555.44
	TOTAL		**3486.02**	3378.93	**2346.65**	2700.17

NOTES:

		Non-current 31-Mar-18	Non-current 31-Mar-17	Current 31-Mar-18	Current 31-Mar-17
A.1	**Includes:**				
	1 Due from Directors	**0.69**	0.25	**0.29**	0.34
	2 Due from Officers	**2.89**	3.49	**0.61**	0.50
A.2	**Includes:**				
	1 Due from Directors	**-**	1.32	**1.39**	1.55
	2 Due from Officers	**0.24**	0.52	**0.32**	0.73

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

(₹ in Lakhs)

Particulars	Amount as on		Maximum Amount outstanding during the year ended	
	31-Mar-18	31-Mar-17	**31-Mar-18**	31-Mar-17
I. Loans and Advances in the nature of loans:				
A) To Parent Company	-	-	-	-
B) To Associates /Joint Venture	-	-	-	-
C) To Firms/Companies in which directors are are interested	-	-	-	-

Note – 6 : OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Sl. No	Particulars	Non - Current		Current		
		31-Mar-18	31-Mar-17	31-Mar-18		31-Mar-17
1	**Deposit for Leave Encashment Fund**	**4780.13**	4740.67		-	-
2	**Interest Accrued on Investments / Bank Deposits/ Loans**	-	-		**4.15**	2.47
3	**Claims Recoverable :**					
	a) From Related Parties					
	i) Unsecured, Considered Good	-	-	1.29		140.00
	ii) Unsecured, Considered Doubtful	-	-	2158.73		2156.81
		-	-	**2160.02**		2296.81
	b) Others					
	i) Unsecured, Considered Good	-	-	2450.96		753.38
	ii) Unsecured, Considered Doubtful	-	-	650.08		584.17
		-	-	**3101.04**		1337.55
	Less : Provision for Doubtful Claims	-	-	2808.81		2740.98
	Sub Total	-	-		**2452.25**	893.38
4	**Other Financial Assets**	-	-		**149.06**	223.59
	TOTAL	**4780.13**	4740.67		**2605.46**	1119.44

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

(₹ in Lakhs)

Particulars	Non - Current		Current	
	31-Mar-18	31-Mar-17	**31-Mar-18**	31-Mar-17
Tax Asset/ (Liability) - Net (Current)				
Advance payments for Current Tax	66622.49	-	-	31254.15
Less: Provision for Current Tax	65462.58	-	-	33061.88
Current Tax Asset/ (Liability) - Net	**1159.91**	-	-	(1807.73)
TOTAL	**1159.91**	-	-	(1807.73)

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

Particulars	31-Mar-18	31-Mar-17
Accounting profit		
Tax at the applicable tax rate of 34.94% (31.3.2017: 34.608%)	**34.94%**	**34.61%**
Tax effect of income that are not taxable in determining taxable profit:	(0.16%)	(0.10%)
Tax effect on share of results of joint venture:	(0.46%)	(0.69%)
Recognition of DTA on Carry forward losses restricted to the expent of DTL:	-	(11.80%)
Tax effect of expenses that are not deductible in determining taxable profit:	3.28%	2.16%
Tax expense /income related to prior years :	3.17%	-
Tax effect on recognition of previously unrecognised allowances / disallowances :	(3.96%)	-
Tax effect due to Change in applicable Tax rates :	0.22%	-
Tax expense	**37.03%**	**24.18%**

(II) In compliance of Ind As 12 on "Income Taxes", the item wise details of deferred tax liability (net) are as under: **(₹ in Lakhs)**

Particulars	As at 31-Mar-16	Provided during the Year 2016-17	Provided during the Year in OCI 2016-17	As at 31-Mar-17	Provided during the Year 2017-18	Provided during the Year in OCI 2017-18	As at 31-Mar-18
Deferred tax liability:							
Related to Fixed Assets (Depreciation)	77524.38	(486.27)	-	77038.11	11863.55	-	**88901.66**
Retirement benefits to employees	90.81	(80.52)	-	10.29	(10.29)	-	**-**
Total deferred tax liability (A)	**77615.19**	**(566.79)**	**-**	**77048.40**	**11853.26**	**-**	**88901.66**
Deferred tax assets:							
Carry forward Business Loss / Unabsorbed Depreciation	77615.19	(40778.41)	-	36836.78	(36836.78)	-	**-**
Provision on Inventories, Trade Receivables, Loans and advances, CWIP , Investments etc.	-	2488.73	-	2488.73	33.34	-	**2522.07**
43B Disallowances, Bonus, Gratuity etc.	-	4193.47	300.83	4494.30	1595.79	(329.48)	**5760.61**
MAT Credit Entitlement	-	30803.18	-	30803.18	29195.96	-	**59999.14**
Total deferred tax assets (B)	**77615.19**	**(3293.03)**	**300.83**	**74622.99**	**(6011.68)**	**(329.48)**	**68281.82**
Deferred Tax Liability (Net) (A - B)	**-**	**2726.24**	**(300.83)**	**2425.41**	**17864.94**	**329.48**	**20619.84**

Note – 8 : OTHER ASSETS

(₹ in Lakhs)

Sl. No	Particulars	Non - Current			Current		
			31-Mar-18	31-Mar-17		**31-Mar-18**	31-Mar-17
1	**Advance for Capital Expenditure**						
	a) To Related Parties						
	i) Unsecured, Considered Good	1366.53		140.92	-	-	-
	b) To Others						
	i) Unsecured, Considered Good	1531.21		7906.83	-		
			2897.74	8047.75	-	-	
2	**Advances**						
	a) To Others						
	i) Unsecured, Considered Good		-	-		**1388.81**	3769.49
3	**Claims Recoverable :**						
	From Custom, Excise, Sales tax , Income Tax dept & Others						
	i) Unsecured, Considered Good		-	-		**25430.05**	25564.40
4	**GST, Cenvat, VAT, service tax recoverable**		-			**2188.22**	5429.04
5	**Balance with Customs, Port Trust and Excise Authorities:**						
	i) Unsecured, Considered Good			-		**814.97**	573.57
6	**Gold Coins in Hand (at Cost)**	-		-	61.54		62.54
	Less : Provision for Diminution	-		-	4.63		8.52
			-	-		**56.91**	54.02
7	**Deferred Expenses**		**1902.34**	1702.60		**224.52**	295.78
	TOTAL		**4800.08**	9750.35		**30103.48**	35686.30

Note – 9 : INVENTORIES

(₹ in Lakhs)

SL.No.	Particulars		31-Mar-18	31-Mar-17
1	**In Hand :**			
	a. Stores, Spares etc.	25366.51		22534.93
	Less : Provision for Losses	3295.94		2830.77
			22070.57	19704.16
	b. Raw Materials		**149483.11**	124001.56
	c. Finished Products		**144224.08**	99149.79
	d. Stock in Process		**48132.69**	32539.95
			363910.45	275395.46
2	**In Transit :**			
	a. Stores & Spares etc.		**1014.03**	1383.92
	b. Raw Materials		**110986.98**	43926.37
			112001.01	45310.29
	TOTAL		**475911.46**	320705.75

Impact of Valuation of closing inventories carried at net realisable value recognised in Statement of Profit & loss	**255.04**	4989.17

Note – 10 : TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	Note		31-Mar-18	31-Mar-17
1 Over Six Months:				
a) From Related Parties				
i) Unsecured, Considered Good	(i)	2.74		-
b) From Others				
i) Unsecured, Considered Good		26.59		41.57
Total			**29.33**	41.57
2 Other Debts :				
a) From Related Parties				
i) Unsecured, Considered Good	(i)	131037.00		89429.03
b) From Others				
i) Secured, Considered Good	(ii)	10000.00		7497.96
ii) Unsecured, Considered Good		15882.12		7001.64
			156919.12	103928.63
TOTAL			**156948.45**	103970.20

(i) Includes receivables from Indian Oil Corporation Ltd., the holding company - ₹ 130879.24 Lakhs (2017: ₹ 89104.45 Lakhs) and receivables from Indian Additives Limited., Joint Venture Company - ₹160.50 Lakhs (2017: ₹393.85 Lakhs).

(ii) Represents dues for which mortgage and first charge on Fixed asset is in favour of the company to the extent of ₹ 10000 Lakhs (2017: ₹ 10000 Lakhs)

Note – 11 : CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
1 Bank Balances with Scheduled Banks :		
a) Current Account	**4.10**	26.25
TOTAL	**4.10**	26.25

Note – 12 : OTHER BANK BALANCES

(₹ in Lakhs)

	Particulars	Note	31-Mar-18	31-Mar-17
1	Balances with bank held as other commitments		**536.09**	517.90
2	Earmarked Balances	**A**	**330.22**	1148.83
	TOTAL		**866.31**	1666.73

NOTES:

A) Pertains to unpaid dividend. (Refer note 16- Sl.No.7)

Note – 13 : EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Note	31-Mar-18	31-Mar-17
Authorized:			
Equity:			
40,00,00,000 (2017: 40,00,00,000) Equity Shares of ₹ 10 each		**40000.00**	40000.00
Preference:			
100,00,00,000 (2017:100,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each		**100000.00**	100000.00
		140000.00	140000.00
Issued :			
Equity:			
17,00,00,000 (2017: 17,00,00,000) Equity Shares of ₹ 10 each	(i)	**17000.00**	17000.00
Preference:			
100,00,00,000 (2017:100,00,00,000;) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each	(ii)	**100000.00**	100000.00
		117000.00	117000.00
Subscribed, Called-up and Paid-up :			
14,89,11,400 (2017: 14,89,11,400) Equity shares of ₹10 each	(i)	**14891.14**	14891.14
Add: Forfeited Shares (amount originally paid up)		**9.32**	9.32
Total Paid up Equity share Capital		**14900.46**	14900.46
TOTAL		**14900.46**	14900.46

(i) (a) As per the Formation Agreement entered into between the promoters, an offer is to be made to the Naftiran Intertrade Company Limited (NICO), an affiliate of National Iranian Oil Company (NIOC) in any issue of the Capital in proportion to the shares held by them at the time of such issue to enable them to maintain their shareholding at the existing percentage.

(b) Refer Note-40 - Events occuring after Reporting Period(Sl.No.3)

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

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

(b) Refer Note-40 - Events occuring after Reporting Period(Sl.No.2)

Note – 13 : EQUITY SHARE CAPITAL

A. Reconciliation of No. of Shares	31-Mar-18		31-Mar-17	
	Equity Shares	**Preference Shares**	Equity Shares	Preference Shares
Opening Balance	**148911400**	**1000000000**	148911400	1000000000
Shares Issued	-	-	-	-
Shares bought back	-	-	-	-
Closing Balance	**148911400**	**1000000000**	148911400	1000000000

B. Rights, preferences and restrictions attached to Equity shares

Equity Shares: The company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

C. Shares held by Holding Company

(₹ in Lakhs)

Particulars	**31 March 2018**	31 March 2017
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

D. Details of shareholders holding more than 5% shares Equity Shares

Name of Shareholder		**31 March 2018**		31 March 2017	
		Number of shares held	**Percentage of Holding**	Percentage of Holding	Number of shares held
Indian Oil Corporation Limited		**77265200**	**51.89**	77265200	51.89
Naftiran Intertrade Company Limited		**22932900**	**15.40**	22932900	15.40

Note – 14 : OTHER EQUITY

(₹ in Lakhs)

Sl. No	Particulars		31-Mar-18	31-Mar-17
1	**Retained Earnings**			
a)	**General Reserve :**			
	As per last Account	332445.41		333013.51
	Add: Remeasurement of Defined Benefit Plans	625.90		(568.10)
		333071.31		332445.41
b)	**Surplus (Balance in Statement of Profit and Loss):**			
	Balance Brought Forward from Last Year's Account	(88239.54)		(161032.35)
	Add: Profit for the Year	92722.12		105082.34
	Less: APPROPRIATIONS:			
	Final Dividend	31271.39		5956.46
	Bond Redemption Account	5000.00		5000.00
	Capital Redemption Account	20000.00		20000.00
	Dividend Distribution Tax on Final Dividend	6486.58		1333.06
	Balance carried forward to next year's account	**(58275.39)**		(88239.54)
			274795.92	244205.87
2	**Other Reserves**			
a)	**Bond Redemption Reserve Account :**			
	As per last Account	20000.00		15000.00
	Add: Transferred from Profit and Loss Account	5000.00		5000.00
			25000.00	20000.00
b)	**Capital Redemption Reserve :**			
	As per last Account	40000.00		20000.00
	Add: Transferred from Profit and Loss Account	20000.00		20000.00
			60000.00	40000.00
c)	**Securities Premium Account :**			
	As per last Account		**25003.82**	25003.82
	TOTAL		**384799.74**	329209.69

Note – 15 : LONG-TERM BORROWINGS

(₹ in Lakhs)

Sl. No	Particulars	Note	Non - Current 31-Mar-18	Non - Current 31-Mar-17	Current Maturities 31-Mar-18	Current Maturities 31-Mar-17
I.	**SECURED LOANS**					
1	**Bonds:** 10000 Nos. of 9.65% Secured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - II	A		100000.00	- **100000.00**	-
	Total Secured Loans		**-**	100000.00	**100000.00**	-
II.	**UNSECURED LOANS**					
1	**Term Loans:** i) From Banks/Financial Institutions: In Foreign Currency US $ 50 Million (2017: US $ 50 Million)	C	32590.00	32427.50	-	-
	Total (Term Loans)		**32590.00**	32427.50	**-**	-
2	**Loans from related parties:** 100,00,00,000 (2017:100,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each	B	**50000.00**	100000.00	**50000.00**	-
3	**Current maturity of finance lease obligations from related parties**	D	**-**	-	**-**	334.25
	Total Unsecured Loans		**82590.00**	132427.50	**50000.00**	334.25
	TOTAL LONG-TERM BORROWINGS		**82590.00**	232427.50	**150000.00**	334.25

Note – 15 : LONG-TERM BORROWINGS

Sl. No	Particulars	Allotment Date	Coupon Rate	Effective interest rate	Date of Redemption	Security Details
A	Secured Redeemable Non Convertible Debentures (Series-II)	10.01.2014	9.65%	9.65%	Principal repayable at the end of 5 years from 10.01.2014 being date of allotment. Interest payable annually on 10th Jan at the rate of 9.65% p.a.	First Charge on specific Plant & Machinery along with the underlying land together with all the building and structures standing on the said land to the extent of ₹ 100000 Lakhs.

Unsecured Loans:

B. Non Convertible Cumulative Redeemable Preference Shares

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

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

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

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

(b) Such shares shall rank for capital and dividend (including all dividend undeclared upto the commencement of winding up) and for repayment of capital in a winding up, pari passu inter se and in priority to the Ordinary Shares of the Company, but shall not confer any further or other right to participate either in profits or assets.

(c) The holders of such shares shall have the right to receive all notices of general meetings of the Company and have a right to vote only on resolution placed before the share holders which directly affect their rights attached to preference shares like winding up of company or repayment of preference shares etc.

(d) The tenure of the NCCRP Shares would be 10 years, with put and call option. Either the preference shareholder shall have right to exercise Put option or the issuer shall have right to exercise Call option to redeem the preference shares, in whole or in part after the 5 years of the preference issue date. However, it is also agreed that Put & Call option before the 5 year period can be exercised by mutual consent of both the parties by giving 30 days notice.

(e) Dividend rate shall be equivalent to the Post tax yield of AAA rated corporate bond i.e. prevailing (at the time of issue) 10 year G-Sec yield plus spread on AAA rated corporate bond i.e., 6.65% p.a (reckoned for the FY 2015-16). The coupon rate on preference share would be adjusted to reflect the subsequent changes in tax laws with the consent and approval of preference share holders by way of special resolution. Currently, the Effective interest rate inclusive of dividend distribution tax is 8.00%

(ii) Refer Note-40 - Events occuring after Reporting Period(Sl.No.2)

(iii) Preference Shares held by Holding Company

(₹ in Lakhs)

	31-Mar-18	31-Mar-17
1,00,00,00,000 Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10/- each (100%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.	100000	100000

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

Name of Preference Shareholder	**31-Mar-18**		31-Mar-17	
	Number of Preference shares held	**Percentage of Holding**	Number of Preference shares held	Percentage of Holding
Indian Oil Corporation Limited	1000000000	100	1000000000	100

(v) Pending the approval of shareholders, preference dividend has been provisionally accrued as finance cost. However, as per the Companies Act 2013, the preference shares is treated as part of share capital and the provisions of the Act relating to declaration of Preference Dividend at the end of the year would be applicable.

C. Foreign Currency Loan

Loan Repayment Schedule for Foreign Currency Loan (Unsecured)-Term Loans

Sl. No	**Particulars**	**Date of Redemption**	**Repayable Amount**	**Interest Rate**
1	Term Loan from SBI	18.09.2019	US $ 50 Million	3 months LIBOR + 125 bps (Interest reset on quarterly basis) - Interest payable on Monthly basis

D. Finance Lease Obligation

The Finance Lease obligation is against assets acquired under Finance Lease from IOT Infrastructure and Energy Services Limited. The contract period expired during the year. The carrying value of the same is ₹ NIL Lakhs (2017: ₹ 1646.96 Lakhs). Refer Note - 2 & 33(B).

Note – 16 : OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Sl. No	Particulars	Note	Non - Current		Current	
			31-Mar-18	31-Mar-17	**31-Mar-18**	31-Mar-17
1	Current maturities of Long term debt/finance lease obligations (Refer Note -15)		-	-	**150000.00**	334.25
2	Interest accrued but not due on loans (including Preference Shares)	**A**	-	-	**10232.76**	10210.49
3	Liability for Capital Expenditure	**B**	-	-	**25246.77**	18449.32
4	Liability to Trusts and Other Funds		-	-	**860.33**	543.31
5	Employee Liabilities for Expenses		-	-	**14819.85**	7990.49
6	Security Deposits		-	-	**4226.93**	3722.54
7	Liability for Dividend	**C**	-	-	**330.22**	1148.83
8	Other Financial Liabilities		-	-	**82.60**	79.14
	TOTAL		-	-	**205799.46**	42478.37

A Pending the approval of shareholders, preference dividend has been provisionally accrued as finance cost. However, as per the Companies Act 2013, the preference shares is treated as part of share capital and the provisions of the Act relating to declaration of Preference Dividend at the end of the year would be applicable.

B Includes dues Payable to IOT Infrastructure and Energy Limited ₹ 531.68 Lakhs (2017 :Nil Lakhs)

C There are no amounts due for payment to the Investor Education and Protection Fund as at the year end. Further, there are no amounts due to Naftiran Inter trade company Limited (NICO) towards unpaid dividend (Previous year: ₹ 917.32 Lakhs could not be remitted due to restrictions in banking channels arising out of sanctions imposed by US / European Union against Iran)

Note – 17 : PROVISIONS

(₹ in Lakhs)

Sl. No	Particulars	Note	Non - Current 31-Mar-18	Non - Current 31-Mar-17	Current 31-Mar-18	Current 31-Mar-17
1	Provision for Employee Benefits		**23262.11**	13314.97	**7672.36**	12553.06
2	Contingencies for probable obligations		-	-	8614.36	1105.61
	Less: Deposits		-	-	7508.75	-
	Contingencies for probable obligations	A	-	-	**1105.61**	1105.61
	TOTAL		**23262.11**	13314.97	**8777.97**	13658.67

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

	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year	Closing Balance
Sales Tax	1105.61		-	-	1105.61
Income Tax	-	7508.75	-	-	7508.75
TOTAL	**1105.61**	**7508.75**	-	-	**8614.36**
Previous Year	-	1105.61	-	-	1105.61

Note – 18 : OTHER LIABILITIES

(₹ in Lakhs)

Sl. No	Particulars	Note	Non - Current 31-Mar-18	Non - Current 31-Mar-17	Current 31-Mar-18	Current 31-Mar-17
1	Revenue Grants - EPCG				-	-
	Liability towards Government Grants	A	**605.03**	4037.61		
2	Statutory Liabilities		-	-	**37146.72**	24201.57
3	Advances from Customers		-	-	**1434.60**	1264.11
	TOTAL		**605.03**	4037.61	**38581.32**	25465.68

A Grant recognised in respect of duty waiver on procurement of capital goods under EPCG scheme of Central Government which allows procurement of capital goods including spares for pre production at zero duty subject to export obligations of 6 times of the duty saved on capital goods procured. The company recognised ₹ 3387.66 Lakhs (2017: ₹ 222.76 Lakhs) in the statement of profit & loss account as amortisation of revenue grant. The company expects to meet the export obligations and therefore equivalent deferred grant has not been treated as liability.

Note – 19 : SHORT-TERM BORROWINGS

(₹ in Lakhs)

Sl. No	Particulars	Note		31-Mar-18		31-Mar-17
I.	**SECURED LOANS**					
1	**Loans Repayable on Demand**					
	From Banks:					
	a) In Rupees	A				
	i) Cash Credit - SBI		206299.51		444.32	
	Sub-Total			**206299.51**		444.32
II.	**UNSECURED LOANS**					
1	**Loans Repayable on Demand**					
	i) From Banks/Financial Institutions:					
	In Rupees					
	i) Working Capital Demand Loan		-		4400.00	
	Sub-Total			-		4400.00
	ii) From Others					
	Commercial Paper		-		312500.00	
	Total			-		316900.00
	Total Unsecured Loans			-		316900.00
	TOTAL BORROWINGS - CURRENT			**206299.51**		317344.32

Notes:

A Secured against hypothecation of Trade receivables & Inventories to the extent of ₹ 418400 Lakhs with State Bank of India. (2017: ₹ 418400 Lakhs)

At 31st March 2018 the Company had available ₹ 210426.49 Lakhs (2017: ₹ 416796.72 Lakhs) of undrawn Credit facilities.

Note – 20 : TRADE PAYABLES

(₹ in Lakhs)

Particulars	Note	31-Mar-18	31-Mar-17
Sundry Creditors:			
Dues to Micro and Small Enterprises	A	**12.08**	8.81
Dues to Related Parties	B	**402633.82**	114989.83
Dues to Others		**41718.56**	50217.33
TOTAL		**444364.46**	**165215.97**

A With regard to disclosure requirements under the provisions of section 22 of Micro, Small and Medium Enterprises Development Act, 2006, the company has carried out the same based on the confirmation received from its suppliers. No interest amount remains unpaid to such Micro and Small enterprises as on 31st March 2018 and no payments were made to such enterprises beyond the "appointed day" during the year. Also, the company has not paid any interest in terms of section 16 of the above mentioned act or otherwise.

B Represents dues to Indian Oil Corporation Ltd., the holding company ₹ 402282.36 Lakhs (2017: ₹ 114882.02 Lakhs) and IOT Infrastructure and Energy Services Limited ₹ 351.46 Lakhs (2017: ₹ 107.81 Lakhs)

Note – 21 : REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Note		31-Mar-18	31-Mar-17
Sales (Net of Discounts)	A	4413550.01		4058576.75
Other Operating Revenues (Note "21.1")		5367.75		2161.51
			4418917.76	4060738.26
TOTAL			**4418917.76**	4060738.26

A (i) Goods and Services Tax (GST) has been implemented w.e.f.01.07.2017 wherein some of the petroleum products have come under its ambit. Accordingly, GST is being levied on these products as against Excise Duty applicable hitherto. Since Excise duty is included in revenue and GST is not included in revenue, the comparable turnover after netting off Excise duty on products on which GST has now been levied, for periods before 01.07.2017, is tabulated below :

Particulars	31-Mar-18	31-Mar-17
Revenue (gross)	4413550.01	4058576.75
Less: Excise Duty	17384.84	63694.76
Net comparable revenue	**4396165.17**	3994881.99

(ii) Sale to certain customers, which involves return of material upon extraction of relevant products are being invoiced for the gross supply quantity by the company and quantity returned is being invoiced by the customer on the company upon GST implementation. Accordingly, the quantity supplied to the extent received by the company after extraction is included in both Revenue from operations and purchase of stock in trade to the extent of ₹ 20929.30 Lakhs in line with the invoicing pattern under GST.

Note – 21.1 : OTHER OPERATING REVENUES

(₹ in Lakhs)

Sl. No.	Particulars	31-Mar-18	31-Mar-17
1	Sale of Power	**176.35**	151.06
2	Unclaimed / Unspent liabilities written back	**232.76**	415.19
3	Recoveries from Employees	**264.01**	384.80
4	Sale of Scrap	**1306.97**	987.70
5	Amortisation of Government Grants	**3387.66**	222.76
	TOTAL	**5367.75**	2161.51

Note – 22 : OTHER INCOME

(₹ in Lakhs)

Sl. No.	Particulars	Note		31-Mar-18	31-Mar-17
1	**Interest on :**				
	Financial Item:				
	a) Loans and Advances		965.85		804.72
	b) Short Term Deposits with Banks		30.71		36.42
	c) Customers Outstanding		202.18		287.89
	d) Others		352.84		443.77
				1551.58	1572.80
	Non Financial Item:	**A**		**400.88**	-
2	Exchange Fluctuations (Net)			**-**	972.10
3	Other Non Operating Income			**1331.39**	868.37
	TOTAL			**3283.85**	3413.27

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

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

(₹ in Lakhs)

	31-Mar-18	31-Mar-17
In relation to financial assets classified at amortised cost	**1551.58**	1572.80

Note – 23 : COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Raw Material Consumed :		
Opening Balance	**167927.93**	154535.28
Add :		
Purchases	**3023886.97**	2438971.03
Sub Total	**3191814.90**	2593506.31
Less: Closing Stock	**260470.09**	167927.93
TOTAL (Net)	**2931344.81**	2425578.38

Note – 24 : CHANGES IN INVENTORY

(₹ in Lakhs)

Particulars		31-Mar-18	31-Mar-17
Closing Stock			
a) Finished Products	144224.08		99149.79
b) Stock in Process	48132.69		32539.95
		192356.77	131689.74
Less:			
Opening Stock			
a) Finished Products	99149.79		114570.71
b) Stock in Process	32539.95		27673.08
		131689.74	142243.79
NET INCREASE/(DECREASE)		**60667.03**	(10554.05)

Note – 25 : EMPLOYEE BENEFIT EXPENSE

(₹ in Lakhs)

Particulars		31-Mar-18	31-Mar-17
Employee Benefit Expense:			
(a) Salaries, Wages, Bonus etc	38734.18		34121.60
(b) Contribution to Provident & Other Funds	15361.11		12065.41
(c) Staff Welfare Expenses	4080.38		5101.35
TOTAL (Net)		**58175.67**	51288.36

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

B Above excludes ₹ 1804.35 Lakhs (2017: ₹ 1311.05 Lakhs) included in capital work in progress (Note - 2.1)

Note – 26 : FINANCE COSTS

(₹ in Lakhs)

Sl. No.	Particulars	Note		31-Mar-18	31-Mar-17
1	**Interest Payments on Financial items:**	(i)			
	I. Working Capital Loans				
	Short term Borrowings		16967.08		16599.60
	Other Loans				
	Debentures/Foriegn Currency Term Loan	B	2765.90		
				19732.98	16599.60
	II. Unwinding of Finance cost			**29.55**	56.99
	III. Interest expense for Preference Shares (including Dividend Distribution Tax) treated as financial liabilities	A		**8003.78**	8003.78
2	**Interest Payments on Non Financial items**	C		**3017.14**	578.28
3	**Other Borrowing Cost**			**50.70**	34.99
4	**Exchange differences regarded as adjustment to borrowing cost**			**1251.48**	2004.57
	TOTAL	B		**32085.63**	27278.21

A	Refer Note 16 A		
B	Net of interest capitalised as part of CWIP	**7745.35**	10046.42
C	Includes mainly interest under Income Tax Act, 1961		

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

(₹ in Lakhs)

	31-Mar-18	31-Mar-17
In relation to financial liabilities measured at amortised cost	**27766.31**	24660.37

Note – 27 : OTHER EXPENSES

(₹ in Lakhs)

Sl. No	Particulars		31-Mar-18	31-Mar-17
1	Consumption:			
	a) Stores, Spares and Consumables	8293.83		6298.39
	b) Packages & Drum Sheets	99.54		102.23
			8393.37	6400.62
2	Power & Fuel	266572.98		201973.09
	Less : Fuel from own production	261126.32		196966.25
			5446.66	5006.84
3	Irrecoverable taxes - Central Sales Tax		**15799.67**	16903.83
4	Repairs and Maintenance			
	i) Plant & Machinery	15327.52		16090.13
	ii) Buildings	292.39		364.72
	iii) Others	4934.35		3923.23
			20554.26	20378.08
5	Freight, Transportation Charges and Demurrage		**7287.65**	6401.22
6	Office Administration, Selling and Other Expenses (Note "27.1")		**20122.97**	17199.06
	TOTAL		**77604.58**	72289.65
	Less: Company's use of own Products		**2275.03**	282.69
	TOTAL (Net)		**75329.55**	72006.96

Note – 27.1 : OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES

(₹ in Lakhs)

Sl. No	Particulars	Note		31-Mar-18	31-Mar-17
1	Rent			**1739.10**	2063.92
2	Insurance			**1277.83**	1512.34
3	Rates & Taxes			**180.36**	179.89
4	Payment to auditors :				
	a) For Statutory Audit		18.16		16.03
	b) For Limited Review		10.05		8.08
	c) For Taxation Matters		5.61		5.04
	d) Other Services (for issuing other certificates etc.)		1.46		1.40
				35.28	30.55
5	Travelling & Conveyance			**2147.69**	2243.48
6	Communication Expenses			**261.74**	190.21
7	Printing & Stationery			**141.78**	107.51
8	Electricity & Water			**83.25**	78.03
9	Bank Charges			**99.15**	106.55
10	Provision / Loss on Assets sold or written off (Net)			**205.99**	351.13
11	Technical Assistance Fees			**807.93**	665.39
12	Exchange Fluctuation (Net)			**4730.62**	-
13	Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores			**532.82**	1541.30
14	Security Force Expenses			**3111.91**	2487.86
15	Terminalling Charges			**2133.81**	2136.63
16	Provision for Probable Contingencies			**-**	1105.61
17	Expenses on CSR Activities	39		**918.18**	187.51
18	Miscellaneous Expenses	**A**		**1715.53**	2211.15
	TOTAL			**20122.97**	17199.06

A Miscellaneous Expenses Includes:

i) Expenditure on Public Relations and Publicity amounting to ₹ 261.36 Lakhs (2017 : ₹ 372.60 Lakhs). The ratio of annual expenditure on Public Relations and Publicity to the annual turnover (inclusive of excise duty) is 0.00006:1 (2017: 0.00009:1)

ii) Entertainment Expenses ₹ 27.77 Lakhs (2017: ₹ 29.43 Lakhs)

Note – 28 : OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

Sl. No	Particulars		31-Mar-18	31-Mar-17
A.	**Items that will not be reclassified to profit or loss:**			
1	Remeasurement of Defined Benefit Plans	942.87		(869.24)
2	Share of Joint Ventures and Associates in Remeasurement of Defined Benefit Plans	19.13		0.48
			962.00	(868.76)
B.	**Income Tax relating to items that will not be reclassified to profit or loss:**			
1	Remeasurement of Defined Benefit Plans	(329.48)		300.83
2	Share of Joint Ventures and Associates in Remeasurement of Defined Benefit Plans	(6.62)		(0.17)
			(336.10)	300.66
	TOTAL		**625.90**	(568.10)

Note – 29 : DISTRIBUTIONS MADE AND PROPOSED

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Cash dividends on Equity shares declared and paid:		
Final dividend for FY 16-17 declared and paid during the year ended 31st March2018: ₹ 21 per share; (for FY 15-16 declared and paid during the year ended 31st March 2017: ₹ 4 Per Share)	31271.39	5956.46
DDT on dividend paid	6366.12	1212.60
	37637.51	7169.06
Proposed dividends on Equity shares:		
Final dividend for year ended 31st March 2018: ₹ 18.50 per share (31st March 2017: ₹ 21 per share)	27548.61	31271.39
DDT on proposed dividend	5608.25	6366.12
	33156.86	37637.51

Proposed dividend on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability (including DDT thereon) as at 31st March 2018

Refer Note 16 A for Preference dividend

Note – 30 : EARNINGS PER SHARE (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31-Mar-18	31-Mar-17
Profit attributable to equity holders (₹ in lakhs)	**92722.12**	105082.34
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	**148911400**	148911400
Earning Per Share (Basic and Diluted) (₹)	**62.27**	70.57
Face value per share (₹)	**10.00**	10.00

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

(₹ in Lakhs)

Name of entity	Place of business	% of ownership	Relationship	Accounting method	Carrying Amount
Indian Additives Limited	India	50%	Joint Venture	Equity Accounting	15244.10
National Aromatics and Petrochemical Corporation Limited	India	50%	Joint Venture	Equity Accounting	Nil

Summarised balance sheet of the Indian Additives Limited: **(₹ in Lakhs)**

Particulars	31-Mar-18	31-Mar-17
Current assets	27840.40	27805.32
Current liabilities	8364.88	6056.50
Non-current assets	14155.27	9535.07
Non-current liabilities	3142.60	3304.83
Net assets	**30488.19**	27979.06
Proportion of the company's ownership on the above	50%	50%
Carrying amount of the investment	15244.10	13989.53
The above amounts of assets and liabilities include the followings		
Cash and cash equivalents	372.44	1109.54
Current financial liabilities (excluding trade and other payables and provisions)	624.32	351.26
Non-current financial liabilities (excluding trade and other payables and provisions)	-	-

Summarised statement of profit and loss of the Indian Additives Limited: **(₹ in Lakhs)**

Particulars	31-Mar-18	31-Mar-17
Revenue From Operations	63945.71	64344.61
Other Income	1340.22	1201.78
Cost of Material Consumed	43281.16	37267.18
Purchases of Stock in trade	5075.34	3695.81
Changes in inventories of finished goods, stock-in-trade and work in progress	11.56	(60.63)
Excise duty on sale of goods	1636.74	7118.04
Employee Benefits Expense	2447.54	2213.06
Finance Costs	13.95	54.49
Depreciation and amortization expense		
a) Tangible Assets	684.61	639.46
b) Intangible Assets	37.96	72.82
Other Expenses	6118.90	5513.17
Profit before exceptional items and tax	**5978.17**	**9032.99**
Exceptional Items	-	-
Profit/(loss) before tax	**5978.17**	**9032.99**
Tax expense:		
Current Tax	2030.00	3444.99
Deferred Tax	39.76	61.25
Profit (Loss) for the period	**3908.41**	**5526.75**
Other Comprehensive Income	25.03	0.62
Total comprehensive income	**3933.44**	**5527.37**
Dividend received	591.70	591.70

Commitments and contingent liabilities in respect of Joint Venture **(₹ in Lakhs)**

Particulars	31-Mar-18	31-Mar-17
Commitments – Joint Venture		
Property, Plant and Equipments	266.15	3118.63
Civil Work relating to Project	178.27	1184.56
Contingent liabilities – Joint Venture		
Income Tax Matters	457.39	597.84
Excise Duty Matters	1.37	90.79
Sales Tax Matters	34.33	16.70
Service Tax Matters	129.90	142.40
Customs duty matters	36.53	-

Individually immaterial Joint Ventures:

Particulars	Note	31-Mar-18	31-Mar-17
Aggregate carrying amount of individually immaterial Joint Venture			
i) National Aromatics and Petrochemical Corporation Limited	**A**	-	-
Aggregate amounts of the group's share of:			
Profit/(loss) from continuing operations		NA	NA
Other comprehensive income		NA	NA
Total comprehensive income		NA	NA
Share of profits from Joint Venture		NA	NA

A. The Investment in JV have been fully provided for diminution in value of investments. The JV is not Operational. The company has decided to exit from the JV and the process in this regard is already initiated.

NA - Not Applicable

Note – 32 EMPLOYEE BENEFITS

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

A. Defined Contribution Plans- General Description

Pension Scheme:

During the year, the company has recognised ₹ 2214.54 Lakhs (2017: ₹ 2286.41 Lakhs) towards Defined Contributory Employees Pension Scheme in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident & Other Funds in Note - 25/ Construction period expenses in Note-2.1)

During the year, the company has recognised ₹ 234.04 Lakhs (2017: ₹ 227.88 Lakhs) as contribution to EPS-95 in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident and Other Funds in Note - 25/ Construction period expenses in Note-2.1)

B. Defined Benefit Plans- General Description

1 Provident Fund:

The Company's contribution to the Provident Fund is remitted to separate provident fund trust established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company. The Provident Funds maintained by the PF Trust in respect of which actuarial valuation is carried out does not have any deficit as on 31st March 2018.

2 Gratuity:

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the eligible salary for every completed year of service subject to a maximum of ₹ 20 Lakhs at the time of separation from the company.

3 Post Retirement Medical Scheme (PRMS):

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

4 Workman Compensation:

The company pays an equivalent amount of 100 months salary to the family member of employee, if employee dies due to accidental death while he is on duty. This scheme is not funded by the company. The liability originates out of the workman compensation Act and Factory Act

C. Other Long-Term Employee Benefits - General Description

1 Leave Encashment:

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

2 Long Service Award:

On completion of specified period of service with the company and also at the time of retirement, employees are rewarded with Prepaid Card as per eligibility, based on the duration of service completed.

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

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

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

(₹ in Lakhs)

Particulars	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Defined Obligation at the beginning	**41,776.98** *37,257.61*	**7,997.52** *7,515.11*	**5,966.40** *5,036.99*
Current Service Cost	**1,991.64** *1,706.50*	**88.94** *66.50*	**331.60** *97.28*
Interest Cost	**3,658.05** *3,261.32*	**580.62** *600.46*	**444.50** *397.92*
Past Service Cost	- -	**6,622.82** -	**10,376.73** -
Benefits paid	**(3,429.83)** *(3,147.65)*	**(584.64)** *(413.33)*	**(348.76)** *(246.22)*
Employee Contribution	**3,077.71** *2,676.27*	- -	- -
Transferred from other company	**49.32** *22.92*	- -	- -
Actuarial (gain)/ loss on obligations	- -	**(558.32)** *228.78*	**(339.89)** *680.43*
Defined Benefit Obligation at the end of the year	**47,123.88** *41,776.98*	**14,146.95** *7,997.52*	**16,430.57** *5,966.40*

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

(₹ in Lakhs)

Particulars	Provident Fund	Gratuity
	Funded	Funded
Fair Value of Plan Assets at the beginning of the year	**42,786.20** *37,958.29*	**8,027.30** *7,777.52*
Expected return on plan assets	**3,658.05** *3,261.32*	**44.66** *39.97*
Contribution by employer	**5,069.35** *4,382.77*	
Contribution by employees	- -	- -
Benefit paid	**(3,429.83)** *(3,147.65)*	**(469.31)** *(411.61)*
Transferred from other company	**49.32** *22.92*	- -
Interest Income	- -	**582.78** *621.42*
Actuarial gain / (losses)	**48.17** *308.54*	- -
Fair value of plan assets at the end of the year	**48,181.26** *42,786.20*	**8,185.43** *8,027.30*

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

(₹ in Lakhs)

Particulars	Provident Fund	Gratuity
	Funded	Funded
Fair Value of Plan Assets at the end of the year	**48,181.26**	**8,185.43**
	42,786.20	*8,027.30*
Defined Benefit Obligation at the end of the year	**47,123.88**	**14,146.95**
	41,776.98	*7,997.52*
Amount recognised in the Balance Sheet	**-**	**5,961.52**
(As per para 64 of Ind AS-19)	-	*(29.78)*
Amount not recognised in the Balance Sheet	**(1,057.38)**	**-**
	(1,009.22)	-

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

(₹ in Lakhs)

Particulars	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Current Service Cost	**1,991.64**	**88.94**	**331.60**
	1,706.50	*66.50*	*97.28*
Interest Cost	**3,658.05**	**580.62**	**444.50**
	3,261.32	*600.46*	*397.92*
Expected (return) / loss on plan asset	**(3,658.05)**	**(582.78)**	**-**
	(3,261.32)	*(621.42)*	-
Contribution by Employees	**-**	**-**	**-**
	-	-	-
Past Service Cost	**-**	**6,622.82**	**10,376.73**
	-	-	-
Expenses for the year	**1,991.64**	**6,709.60**	**11,152.82**
	1,706.50	45.54	495.20

Gratuity expenditure for the year is reckoned net of of ₹ 6663.05 Lakhs provided in the previous year towards estimated increase in Gratuity ceiling

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

(₹ in Lakhs)

Particulars	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Actuarial (gain)/ loss on Obligations	-	**(558.32)**	**(339.89)**
	-	*228.78*	*680.43*
Remeasurement (Return on Plan Assets excl interest income)	**48.17**	**(44.66)**	-
	308.54	*(39.97)*	**-**
Net Loss / (Gain) recognized in OCI	**-**	**(602.98)**	**(339.89)**
	-	*188.81*	*680.43*
Net Loss / (Gain) not recognized in P&L / OCI	**(48.17)**	**-**	**-**
	(308.54)	-	-

(vi) Major Actuarial Assumptions

(₹ in Lakhs)

Particulars	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Discount rate	**7.88%**	**7.88%**	**7.76%**
	7.26%	*7.26%*	*7.45%*
Expected return on plan assets	**8.65%**	**-**	**-**
	8.65%	*-*	*-*
Salary escalation	**-**	**8.00%**	**-**
	-	*8.00%*	*-*
Inflation	**-**	**-**	**7.00%**
	-	*-*	*7.00%*

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

(vii) Sensitivity on Actuarial Assumptions:

(₹ in Lakhs)

Loss / (Gain) for:	Gratuity	PRMS
	Funded	Non-funded
Change in Discounting Rate		
Increase by 1%	**(375.91)**	
	(237.65)	
Decrease by 1%	**398.05**	
	252.55	
Change in Discounting Rate		
Increase by 0.5%	**-**	**(1,233.72)**
	-	*(467.43)*
Decrease by 0.5%	**-**	**1,399.26**
	-	*532.00*
Change in Employee Turnover		
Increase by 0.5%	**-**	**53.22**
	-	*15.68*
Decrease by 0.5%	**-**	**(56.67)**
	-	*(16.64)*
Change in Employee Turnover		
Increase by 1%	**119.94**	
	103.90	
Decrease by 1%	**(125.35)**	
	(108.84)	
Change in Salary Escalation		
Increase by 1%	**87.27**	**-**
	25.89	*-*
Decrease by 1%	**(91.09)**	**-**
	(27.55)	*-*
Change in Inflation Rate		
Increase by 0.5%	**-**	**1,412.50**
	-	*535.65*
Decrease by 0.5%	**-**	**(1,255.41)**
	-	*(474.57)*

(viii) Investment details:

Particulars	Provident Fund	Gratuity
	Funded	Funded
Investment with Insurer	**-**	**100.00%**
	-	*100.00%*
Self managed investments	**100.00%**	**-**
	100.00%	*-*

Details of the investment pattern for the above mentioned funded obligations is as under.

Particulars	Provident Fund	Gratuity
	Funded	Funded
Government securities (Central & State)	**44.22%**	**43.86%**
	36.04%	*48.19%*
Investment in Equity / Mutual Funds	**5.28%**	**4.75%**
	2.74%	*8.05%*
Investment in Debentures / Securities	**44.09%**	**47.17%**
	56.08%	*38.93%*
Other approved investments (incl. Cash)	**6.41%**	**4.22%**
	5.14%	*4.83%*

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

(₹ in Lakhs)

Cash Flow Projection from the Fund/Employer	Gratuity	PRMS	Total
	Funded	Non-Funded	
Within next 12 Months	**1800.15**	**418.97**	**2,219.11**
	792.20	*136.74*	*928.94*
Between 2 to 5 Years	**6845.35**	**2,320.30**	**9,165.65**
	3445.12	*749.45*	*4,194.57*
Between 6 to 10 Years	**6658.05**	**4,711.89**	**11,369.94**
	3,986.94	*1,589.97*	*5,576.91*

Particulars	Gratuity	PRMS
	Funded	Non-Funded
Weighted Average Duration of Defined Benefit Obligation	**12 Years** *12 Years*	**16 Years** *16 Years*

Note – 33 : COMMITMENTS AND CONTINGENCIES

A. Leases

Operating lease — as lessee

The company has taken certain assets (including office/residential premises/Land) on Operating Lease which are cancellable by giving appropriate notice as per the respective agreements. During the year ₹ 1739.10 Lakhs (2017: ₹ 2063.92 Lakhs) had been paid towards cancellable Operating Lease.

B Disclosure under Finance Lease as Lessee:

The company has entered into BOOT arrangement with IOT Infrastructure & Energy Services Limited in respect of LPG Bottling facilities for a period of 10 years. During the year, on completion of the contracted period of 10 years, the Lessor has transferred ownership of the assets to the company at Nil Value.

I Buildings taken on finance lease as lessee:

(₹ in Lakhs)

	31-Mar-18	31-Mar-17
(i) Minimum lease payments		
- Within one year	-	160.75
- After one year but not more than five years	-	-
- More than five years	-	-
Total	-	160.75
(ii) Present value of minimum lease payments		
- Within one year	-	147.69
- After one year but not more than five years	-	-
- More than five years	-	-
Total	-	147.69
Add: Future finance charges	-	13.06
Total	-	160.75

(₹ in Lakhs)

II Plant & Equipments taken on finance lease as lessee:	31-Mar-18	31-Mar-17
(i) Minimum lease payments		
- Within one year	-	203.05
- After one year but not more than five years	-	-
- More than five years	-	-
Total	-	203.05
(ii) Present value of minimum lease payments		
- Within one year	-	186.56
- After one year but not more than five years	-	-
- More than five years	-	-
Total	-	186.56
Add: Future finance charges	-	16.49
Total	-	203.05

The Net Carrying amount of the assets acquired under Finance Lease included in Note – 2.

Buildings and Plant & Equipment	-	1646.96
Total	-	1646.96

C Contingent Liabilities

Contingent Liabilities amounting to ₹ 69142.11 Lakhs (2017: ₹ 65184.02 Lakhs) are as under:

(i) ₹ 2520.31 Lakhs (2017: ₹ 539.66 Lakhs) being the demands raised by the Central Excise /Customs/ Service Tax Authorities including interest of ₹ 807.62 Lakhs (2017: ₹ 189.74 Lakhs).

(ii) ₹ 52998.44 Lakhs (2017: ₹ 50592.22 Lakhs) being the demands raised by the VAT/ Sales Tax Authorities and includes no interest (2017: Nil).

(iii) ₹ 9815.98 Lakhs (2017: ₹ 10002.51 Lakhs) in respect of Income Tax demands including interest of ₹ 4802.51 Lakhs (2017: ₹ 2582.58 Lakhs).

(iv) ₹ 3807.38 Lakhs (2017: ₹ 4049.63 Lakhs) including ₹ 239.68 Lakhs (2017: ₹ 2241.64 Lakhs) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹ 867.83 Lakhs (2017: ₹ 827.75 Lakhs).

The Company has not considered those disputed demands/claims as contingent liabilities, for which, the outflow of resources has been considered as remote.

D Commitments

(i) **Capital Commitments**

Estimated amount of contracts remaining to be executed on Capital Account not provided for ₹ 115254.48 Lakhs (2017: ₹ 82208.01 Lakhs).

(ii) **Other Commitments**

The Company has an export obligation to the extent of ₹10145.90 Lakhs (2017: ₹59057.65 Lakhs) on account of concessional rate of customs duty availed under EPCG license scheme on import of capital goods.

Note - 34 "Related Party Disclosures" in compliance with Ind-AS 24, are given below:

1. Relationship with Entities

A. Details of Holding Company

1) Indian Oil Corporation Limited (IOCL)

The following transactions were carried out with Holding Company in the ordinary course of business:

(₹ in Lakhs)

Particulars	31-Mar-2018	31-Mar-2017
• Sale of Product and Services	**3987040.30**	3682449.28
• Dividend on Preference Shares	**6650.00**	6650.00
• Dividend paid on Equity Shares	**16226.72**	3090.81
• Sale of Scrap / Catalyst	**15.36**	21.30
• Sale of Canteen Coupons	**4.00**	4.14
• EDP Maintenance	**253.01**	253.53
• Other Non operating Income	**320.25**	80.87
• Purchase of Raw Material	**31691.66**	49668.26
• Purchase of Stock-in-Trade	**19132.87**	15957.40
• Purchase of Stores & Spares	**495.57**	397.11
• Canalising commission	**250.00**	250.00
• Freight, Transportation and Demurrage	**836.50**	1036.51
• Rental Expenditure	**271.00**	350.31
• Creation of capital facilities by IOCL	**1004.10**	568.02
• Creation of capital facilities to IOCL	**-**	800.00
• Outstanding Receivables	**132247.06**	89385.37
Outstanding payables		
• Trade Payables	**402282.36**	114882.02
• Preference Shares	**100000.00**	100000.00

B. Details of Joint Ventures

i) Indian Additives Limited

(₹ in Lakhs)

Particulars	31-Mar-2018	31-Mar-2017
• Investment	**1183.40**	1183.40
• Sale of Product	**4203.03**	4348.82
• Rental income	**56.04**	47.91
• Dividend received	**591.70**	591.70
• Sale of Water	**0.86**	-
• Outstanding Receivables	**160.50**	393.85

ii) National Aromatics & Petrochemicals Corporation Limited

(₹ in Lakhs)

Particulars	31-Mar-2018	31-Mar-2017
• Investments in Joint Venture Entities / Associates*	**2.50**	2.50

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

C. Entities over which KMP has significant influence

i) CPCL Educational Trust

(₹ in Lakhs)

Particulars	31-Mar-2018	31-Mar-2017
• CSR Expenses	**61.80**	42.50
• Repayment of Loan by Trust	**-**	25.00
• Interest	**-**	2.14

D. Associates of Holding Company

i) IOT Infrastructure & Energy Services Limited

(₹ in Lakhs)

Particulars	31-Mar-2018	31-Mar-2017
• Terminalling/Bottling Charges	**1848.16**	2669.01
• Outstanding payable	**883.14**	107.81

E. Government related entities where significant transactions are carried out:

Apart from transactions reported above, the company has transactions with other Government related entities, which includes but not limited to the following:

Name of Government: Government of India (Central and State Government)

Nature of Transactions:

- Sale of Product and Services
- Purchase of Product
- Purchase of Raw Materials
- Handling and Freight Charges, etc.

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

2) Key Managerial Personnel

A. Whole Time Directors / Company Secretary	**B. Independent / Government Nominee Directors**
1) Shri.B.Ashok (Upto 31.05.2017)	1) Shri .K.M.Mahesh (Upto 24.11.2017)
2) Shri.Sanjiv Singh	2) Shri .Mrutunjay Shaoo
3) Shri Gautam Roy (Upto 31.1.2018)	3) Dr.P.B.Lohiya
4) Shri S.Venkataramana (Upto 31.7.2017)	4) Smt. Perin Devi (w.e.f . 24.11.2017)
5) Shri U.Venkata Ramana	
6) Shri S.Krishna Prasad (Upto 31.1.2018)	
7) Shri.Farzad Bahrami	
8) Shri.Mohammad Bagher Dakhili	
9) Shri S.N. Pandey (w.e.f 01.02.2018)	
10) Shri G.Aravindan (w.e.f 30.01.2018)	
11) Shri P.Shankar	

C) Details relating to the parties referred to in Item No.2A & 2B above :
For the Year ended 31-Mar-2018

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Sitting Fee	Outstanding loans/ advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri Gautam Roy	43.87	5.53	10.94	-	60.34	-	-
2) Shri S.Venkataramana	23.34	11.33	29.79	-	64.46	-	
3) Shri U.Venkata Ramana	48.29	5.23	6.34	-	59.86	-	1.64
4) Shri S.Krishna Prasad	33.26	5.11	3.83	-	42.20	-	-
5) Shri P.Shankar	39.19	5.66	4.41		49.26	-	4.05
6) Shri S.N. Pandey	5.01	1.13	-	-	6.14	-	0.74
7) Shri G.Aravindan	6.64	1.16		-	7.80	-	-
B. Independent / Government Nominee Directors#							
1) Shri Mrutunjay Sahoo	-	-	-	-	-	2.80	-
2)Dr.P.B.Lohiya	-	-	-	-	-	4.60	-
TOTAL	**199.60**	**35.15**	**55.31**	**-**	**290.06**	**7.40**	**6.43**

#Sitting fees paid to Independent Directors

For the Year ended 31-Mar-2017

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Other Income	Outstanding loans/ advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri Gautam Roy	40.90	6.58	-	-	47.48	-	-
2) Shri S.Venkataramana	31.49	10.37	-	-	41.86	-	3.45
3) Shri U.Venkata Ramana	31.66	6.12	-	-	37.78	-	-
4) Shri S.Krishna Prasad	40.13	6.11	-	-	46.24	-	-
5) Shri P.Shankar	31.95	8.92	-	-	40.87	-	5.25
B. Independent / Government Nominee Directors*							
1)Shri .Mrutunjay Shaoo	-	-	-	-	-	0.20	-
2)Dr.P.B.Lohiya	-	-	-	-	-	0.20	-
3)Shri .G.Ramaswamy	-	-	-	-	-	2.00	-
TOTAL	**176.13**	**38.10**	**-**	**-**	**214.23**	**2.40**	**8.70**

*Sitting fees paid to Independent Directors

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

3) Trusts

Transactions with Post Employment Benefit Plans managed through separate trust

SL. No	Name of the Trust	Post Employment Benefit Plan	31-Mar-2018		31-Mar-2017	
			Net Contribution	Outstanding Payable	Net Contribution	Outstanding Payable
A	CPCL Employees Provident Fund	Provident Fund	2012.22	437.28	1709.00	375.58
B	CPCL Employees Superannuation Benefit Fund	Pension Scheme	2112.71	217.28	2286.00	221.93
C	CPCL Employees Group Gratuity Trust	Gratuity	-	-	-	-

Note – 35 : FAIR VALUES

Set out below, is a comparison by class of the carrying amounts as per financial statements and fair value of the Company's financial instruments, along with the fair value measurement hierarchy:

(₹ in Lakhs)

Particulars	Carrying value		Fair value		
	As at 31-Mar-2018	As at 31-Mar-2017	**As at 31-Mar-2018**	As at 31-Mar-2017	**Fair value measurement hierarchy level**
Financial Assets					
Amortised Cost:					
Loans to employees	**4785.09**	4849.47	**4669.73**	4525.47	Level 2
Total	**4785.09**	4849.47	**4669.73**	4525.47	
Financial liabilities					
A. Borrowings:					
Amortised Cost:					
Non-Convertible Redeemable Bonds	**100000.00**	100000.00	**101453.61**	104157.56	Level 2
Finance lease obligation	**-**	334.25	**-**	334.25	Level 2
Preference Shares	**100000.00**	100000.00	**100809.08**	107325.00	Level 2
Term Loans from Banks - In Foreign Currency Loans	**32590.00**	32427.50	**32590.00**	32427.50	Level 2
Loans from financial Institutions	**206299.51**	317344.32	**206299.51**	317344.32	Level 2
Total	**438889.51**	550106.07	**441152.20**	561588.63	

Notes:

1. Levels under Fair Value measurement hierarchy are as follows:
   (a) **Level 1** items fair valuation is based upon **market price quotation at each reporting date**
   (b) **Level 2** items fair valuation is based upon **Significant observable inputs like PV of future cash flows, MTM valuation, etc**.
   (c) **Level 3** items fair valuation is based upon **Significant unobservable inputs wherein valuation done by independent valuer.**

2. The management assessed that Trade Receivables, Cash and Cash Equivalents, Bank Balances, Deposit for Leave Encashment Fund, Recoverable from Employee Benefits Trusts, Other Non-derivative Current Financial Assets, Short-term Borrowing, Trade Payables, Floating Rate Loans and Other Non-derivative Current Financial Liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

3. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Methods and assumptions

The following methods and assumptions were used to estimate the fair values at the reporting date:

<u>Level 2 Hierarchy:</u>

(i) Derivative instruments at fair value through profit or loss viz.Foreign exchange forward contracts: Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs are considered .

(ii) **Loans to employees, Loan to related parties, Security deposits paid and Security deposits received:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities

(iii) **Finance lease obligation:** For obligation arrived based on IRR, implicit rate applicable on the reporting date and for obligation arrived based on incremental borrowing rate, applicable rate for remaining maturity.

(iv) **Term Loans from Banks - In Foreign Currency:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities (Excluding floating rate borrowings)

(v) **Non Convertible Redeemable Preference shares :** The fair value of Preference shares is estimated by discounting future cash flows.

Note – 36 : FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company's principal financial liabilities, other than derivatives, comprise Borrowings, trade and other payables, security deposits and employee liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include loans & advances, trade and other receivables, short-term deposits and cash / cash equivalents that derive directly from its operations. The company's requirement of crude oil imports are canalized through its holding company, Indian Oil Corporation Limited. The derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that trading in derivatives are taken only to hedge the various risks that the company is exposed to and not for speculation purpose.

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 2016-17 was reviewed by the Audit Committee and Board at the Meeting held on 15.05.2017 respectively and the Report for the year 2017-18 has been reviewed by the Audit Committee and Board at the Meeting held on 10.05.2018.

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

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The major components of market risk are interest rate risk, foreign currency risk, commodity price risk and other price risks etc. Financial instruments affected by market risk include Borrowings, Deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31st March 2018 and 31st March 2017

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions, and other non-financial assets.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March 2018 and 31st March 2017 including theeffect of hedge accounting.
- The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at 31st March 2018.

Interest rate risk

The Company is also exposed to interest rate risk from the possibility that changes in interest rates will affect future cash flows of a financial instrument, principally financial debt. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's interest rate risk management includes to maintain a mix between fixed and floating rates for rupee and foreign currency loans, based on liquidity, availability of cost effective instruments and considering the market / regulatory constraints. As at 31st March 2018, approximately 93% of the Company's borrowings are at a fixed rate of interest (31st March 2017: 94%).

The sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, on floating rate borrowings is as follows:

Currency	**Increase / Decrease in basis points**	**Effect on profit before tax (₹ in Lakhs)**	Increase / Decrease in basis points	Effect on profit before tax (₹ in Lakhs)
	31-Mar-18		31-Mar-17	
INR	**+50**	**-**	+50	-
US Dollar	**+50**	**(162.95)**	+50	(162.14)
INR	**-50**	**-**	-50	-
US Dollar	**-50**	**162.95**	-50	162.14

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years .

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and Borrowings.

The Company manages its foreign currency risk through combination of natural hedge, hedging undertaken on occurrence of pre-determined triggers as per the Risk management policy. The hedging is undertaken through forward contracts.

The sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant and the impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities is tabulated below. The Company's exposure to foreign currency changes for all other currencies is not material.

Currency	**Increase / Decrease in %**	**Effect on profit before tax (₹ in Lakhs)**	Increase / Decrease in %	Effect on profit before tax (₹ in Lakhs)
	31-Mar-18		31-Mar-17	
INR	**+5%**	**(20333.91)**	+5%	(7242.90)
US Dollar	**-5%**	**20333.91**	-5%	7242.90

The effects of most exchange rate fluctuations are absorbed in business operating results which are offset by changing cost competitiveness, lags in market adjustments to movements in rates to its other non-financial assets like inventory etc. For this reason, the total effect of exchange rate fluctuations is not identifiable separately in the company's reported results.

Note – 36 : FINANCIAL INSTRUMENTS AND RISK FACTORS

Credit risk

Trade receivables

Customer credit risk is managed according to the Company's policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. Transactions other than with oil marketing companies are either generally covered by Letters of Credit, Bank Guarantees or cash-and-carry basis.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approvedcounter parties and within credit limits assigned to each counterparty so as to minimise concentration of risks and mitigate consequent financial loss.

Liquidity risk

The Company monitors its risk of shortage of funds using detailed cash flow projections which is monitored closely on daily basis. The Company seeks to manage its liquidity requirement by maintaining access to both short term and long term debt markets. In addition, Company has committed credit facilities from banks. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, commercial papers, bank loans and debentures. and finance leases. The Company assessed the concentration of risk and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ in Lakhs)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31-Mar-18						
Borrowings	206299.51	50000.00	100000.00	82590.00	-	438889.51
Trade payables	27411.85	416952.61	-	-	-	444364.46
Other financial liabilities	45566.70	87.25	10145.51	-	-	55799.46
	279278.06	**467039.86**	**110145.51**	**82590.00**	**-**	**939053.43**
Year ended 31-Mar-17						
Borrowings	-	317344.32	-	232427.50	-	549771.82
Trade payables	34126.30	131089.67	-	-	-	165215.97
Other financial liabilities	32267.88	64.98	10145.51	-	-	42478.37
	66394.18	**448498.97**	**10145.51**	**232427.50**	**-**	**757466.16**

Excessive risk concentration

Substantial portion of the Company's sales is to the Holding Company, Indian Oil Corporation Limited. Consequently, trade receivables from IOCL are a significant proportion of the Company's receivables. Since the operations are synchronised with those of the Holding Company, for optimal results, the same does not present any risk.

Collateral

As the Company has been rated investment grade by various rating agencies, there has been no requirement of submitting any collateral for booking of derivative contracts. The Company undertakes derivatives contract only with those counterparties that have credit rating above the internally approved threshold rating. Accordingly, the Company does not seek any collaterals from its counterparties.

Note – 37 : CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company monitors capital using debt equity ratio, which is borrowings divided by Equity. The Company's strategy is to keep the debt equity ratio in the range of 2:1 and 1:1. The Company also includes accrued interest in the borrowings for the purpose of capital management.

(₹ in Lakhs)

Particulars		**31-Mar-18**	31-Mar-17
Borrowings		438889.51	549771.82
Accrued Interest thereon		10232.76	10210.49
Total Borrowings		**449122.27**	559982.31
Equity Share Capital		14900.46	14900.46
Reserves and Surplus		384799.74	329209.69
Equity		**399700.20**	344110.15
Debt Equity Ratio		**1.12 : 1**	1.63 : 1

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2018 and 31st March 2017.

Note – 38 : RESEARCH AND DEVELOPMENT COSTS

Research and Development Expenses of ₹370.47 Lakhs(2017: ₹ 60.28 Lakhs) have been capitalized and ₹ 780.82 Lakhs (2017 ₹ 393.66 Lakhs) have been accounted for in the Statment of Profit and Loss during the year. Detailed break up of total expenditure is as under:

A. CAPITAL EXPENSES (FIXED ASSETS)

(₹ in Lakhs)

Asset Block	Gross Block as at 1 Apr 2017	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at 31 Mar 2018	Work-in-Progress as at 01 Apr 2017	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31 Mar 2018	Total Capital Expenditure
1	2	3	4	5	6 = (2+3+4-5)	7	8	9	10 = (7+8-9)	11=(3+8)
Fixed Assets										
Plant & Equipment	**1240.54**	327.00	-	-	**1567.54**	-	6.23	-	6.23	**333.23**
Office Equipment	**11.97**	15.86	-	-	**27.83**	-	-	-	-	**15.86**
Furniture & Fixtures	**1.56**	21.38	-	-	**22.94**	-	-	-	-	**21.38**
Sub Total	**1254.07**	**364.24**	-	-	**1618.31**	-	**6.23**	-	**6.23**	**370.47**
Total	**1254.07**	**364.24**	**-**	**-**	**1618.31**	**-**	**6.23**	**-**	**6.23**	**370.47**

B. RECURRING EXPENSES

(₹ in Lakhs)

Sl. No	Particulars	31-Mar-18	31-Mar-17
1	Consumption of Stores, Spares & Consumables	**287.43**	34.59
2	Repairs & Maintenance (a) Plant & Machinery	**33.06**	21.21
3	Payment to and Provisions for employees	**434.58**	320.63
4	Other Expenses	**25.75**	17.23
	Total	**780.82**	393.66

C. TOTAL RESEARCH EXPENSES

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Capital Expenditure	**370.47**	60.28
Recurring Expenditure	**780.82**	393.66
Total	**1151.29**	453.94

Note – 39 : DISCLOSURE RELATING TO CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

The disclosure in respect of CSR expenditure for Financial Year ended 2017-18 is as under:

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
(a) Gross amount required to be spent by the company during the year.		
Annual CSR Allocation	909.16	-
Carry forward from previous year	-	-
Gross amount required to be spent	909.16	-

(b) Amount spent during the year on:

(₹ in Lakhs)

	31-Mar-18			31-Mar-17		
	In cash	Yet to be paid In cash**	Total	In cash	Yet to be paid In cash**	Total
(i) Construction/acquisition of any assets						
(ii) On purposes other than (i) above						
Health and Sanitation	116.69	-	116.69	41.25		41.25
Swachh Bharat	446.79		446.79	-		-
Education/employment vocational skills	107.50		107.50	2.00		2.00
Administration Expenses, training etc.	138.13		138.13	112.65		112.65
Drinking Water	20.94		20.94	-		-
Other expenses	88.13		88.13	31.61		31.61
Total Expenses (ii)	**918.18**	**-**	**918.18**	**187.51**	**-**	**187.51**
Grand Total (i) and (ii)	**918.18**	**-**	**918.18**	**187.51**	**-**	**187.51**

**Provisions made for liabilities incurred

Note 40 : EVENTS AFTER REPORTING PERIOD

1. The Board of Directors has recommended a dividend of 6.65% on the paid-up Preference Capital of the company, representing ₹ 0.665 per preference share and 185% on the paid-up Equity Capital of the company, representing ₹ 18.50 per equity share.

2. The Board of Directors of the Company at the meeting held on 05th April 2018, has accorded approval for the partial redemption of Non- Convertible Cumulative Redeemable Preference shares to the extent of ₹ 50000 Lakhs, out of the total outstanding amount of ₹ 100000 Lakhs. Accordingly, in terms of the issue, offer for partial redemption of Non-Convertible Cumulative Redeemable Preference shares to the extent of ₹ 50000 Lakhs, would be made to Indian Oil Corporation Limited. Based on the acceptance of the offer by IndianOil, further action in this regard would be initiated .

3.The Board of Directors of the Company at the meeting held on 05th April 2018 has accorded approval, (subject to the approval of the shareholders of the Company in the General Meeting):

a) For cancellation of unsubscribed equity share capital of ₹ 2086.89 Lakhs consisting of 2,08,68,900 equity shares of ₹ 10/- each, comprising of partial subscription to Rights Issue made by the company in 1984, by the Government of India and non-subscription by Amoco India Inc., to the Rights Issue made by the company in 1984;

b) For cancellation of 2,19,700 forfeited equity shares of ₹ 10/- each totaling ₹ 21.97 Lakhs (1,87,900 equity shares forfeited on 26.09.2003 and 31,800 equity shares forfeited on 26.10.2006)

Note – 41 : EXPOSURE TO FINANCIAL DERIVATIVES

Financial and Derivative Instruments:

1. All derivative contracts entered into by the Company are for hedging its foreign currency relating to underlying transactions and firm commitments and not for any speculative or trading purposes.

2. The company has No Outstanding forward contract as at 31st March 2018(2017 : NIL) which has been undertaken to hedge its exposure to borrowings and other financial liabilities.

3. Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2018 is given below:

(₹ in Lakhs)

Sl. No.	Particulars	As on 31-Mar-18 Aggregate amount	As on 31-Mar-17 Aggregate amount
1	Unhedged- Payables	**434797.48**	157813.91
2	Unhedged- Receivables	**28119.19**	12955.92

Note – 42 : OTHER DISCLOSURES

1 **Details of impairment loss in respect of Cauvery Basin Refinery**

The Company has refineries at two locations viz., Manali and Nagapattinam (Cauvery Basin Refinery). Consequent to implementation of BS- IV specifications on a pan India basis w.e.f 01.04.2017 and in the absence of secondary treatment facilities, the BS – III grade of diesel production from CBR would not be marketable in the local market, entailing significant coastal/export under recoveries, which has adversely impacted the profitability of CBR and hence the value in use is negative. Accordingly, in line with the requirements of Ind AS -36, an amount of ₹ 432.77 Lakhs has been accounted as impairment loss during the year, being the difference between the carrying value of additions during the year ₹ 3345.16 Lakhs and the recoverable value of ₹ 1003.55 Lakhs after adjusting the impairment loss of ₹1908.84 Lakhs already accounted as part of Capital work in progress in previous year. This impairment loss has been recognised as part of Depreciation, Depletion and Amortisation of tangible and intangible assets in the statement of profit and loss as the carrying value of the assets is lower than the value in use/ estimated recoverable amount of this CGU. Total impairment loss recognized as on 31.03.2018 - ₹ 6611.41 Lakhs

In estimating the value in use, the approximate weighted average capital cost has been considered as the discount rate used to calculate the net present value of the estimated future cash flows, which are subject to changes in the external environment.

The fair value less cost of disposal used to determine the recoverable amounts of the impaired assets are classified as level 3 fair value measurements (as detailed in statement of significant accounting policy no.4), as the estimated recoverable amounts are not based on observable market data, rather, management's best estimates. The results of impairment test are sensitive to changes in key judgements, such as changes in commodity prices, future changes in alternate use of assets etc, which could result in increase or decrease of the recoverable amounts and result in additional impairment charges or recovery of impairment charged.

2 Pay revision in respect of supervisory employees due from 01.01.2017 has been implemented based on receipt of presidential directives on 29.10.2017 and accounted accordingly. Pending finalization of revision in pay and benefits in respect of non - supervisory employees, provision of ₹ 3783 Lakhs, including consequential impact of retirement benefits has been reckoned during the year - Refer note 25.(2017: ₹ 11064 Lakhs for all employees)

3 The Employees Township at Cauvery Basin Refinery has been constructed on land area of thirty four acres and forty nine cents of land leased from a trust on five-year renewable basis.

4 As part of CSR activities, CPCL sponsors polytechnic college, for which twenty acres of land of the company has been leased to the CPCL Educational Trust for a period of 50 years.

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

(b) The company has valid title for all immovable properties. However, in respect of 186.86 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.

6 The Company's Property, Plant & Equipments and stores & spares were damaged due to the severe floods in Chennai during December 2015. As against the final claim amount of ₹ 607.13 Lakhs (replacement & repair cost net of deductibles), on account payment of ₹ 300.00 Lakhs received from the insurance company in FY 2015-16, has been disclosed as income in that year. In respect of damages suffered due to Vardha cyclone during December 2016, the Company has filed insurance claim for an estimated amount of ₹ 992.34 Lakhs (replacement cost after considering the deductibles). Final claim is yet to be lodged with the insurance company.

7 **Valuation of Finished Products:**

The overall gross margin percentage for all joint products is subtracted from the final net realisable value of each product to arrive at the total cost of each product which is taken as the basis for valuation of closing stock of finished products. (Refer Policy No 7.2 in Note – 1 – "Statement of Significant Accounting Policies").

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

9 Previous year's comparative figures have been regrouped, reclassified and recast wherever necessary.

Note – 43 : STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES (FORM AOC-I)

Part A : Subsidiaries
Not applicable as there are no subsidiaries

Part B : Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures (FORM AOC - I)

Sl No.	Name of the Associates / Joint Ventures	Indian Additives Limited	National Aromatics and Petrochemical Corporation Limited
1	Latest Audited Balance Sheet Date	31-Mar-18	31-Mar-17
2	Date on which the Associate or Joint Venture was associated or acquired	13-Jul-89	10-May-89
3	i) No.	1183401	25000
	ii) Amount of Investment in Associates / Joint Ventures	1183.40	2.50
	iii) Extent of Holding	50.00%	50.00%
4	Description of how there is significant influence	Joint venture	Joint venture
5	Reason why the associate / Joint ventures is not Consolidated	Consolidated	Consolidated
6	Net worth attributable to shareholding as per latest audited balance sheet	15244.10	-
7	Profit / (Loss) for the year		
	I) Considered in Consolidation	1954.21	-
	II) Not Considered in consolidation	1954.21	-

(S N Pandey)
Managing Director

(Rajeev Ailawadi)
Director (Finance)

(P.Shankar)
Company Secretary

As per our Report of even date

FOR R. SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
FRN: 004137S / S200041

FOR S. VISWANATHAN LLP
Chartered Accountants
FRN: 004770S / S200025

(R. Kumarasubramanian)
Partner
Membership No. 021888

(V.C. Krishnan)
Partner
Membership No. 022167

Place : Chennai
Date : 10-May-2018

Note – 44 : STATUTORY GROUP INFORMATION

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in Total Comprehensive income	
	As % of consolidated net assets	₹ in Lakhs	As % of consolidated profit and loss	₹ in Lakhs	As % of consolidated other comprehensive income	₹ in Lakhs	As % of total comprehensive income	₹ in Lakhs
Parent								
Chennai Petroleum Corporation Limited								
Balance as at 31st March 2018	**96.19%**	**384456.10**	**97.89%**	**90767.91**	**98.00%**	**613.39**	**97.89%**	**91381.30**
Balance as at 31st March 2017	95.93%	330120.62	97.37%	102318.96	100.05%	(568.41)	97.36%	101750.55
Joint ventures (investment as per the equity method of accounting)								
Indian								
1 Indian Additives Limited								
Balance as at 31st March 2018	**3.81%**	**15244.10**	**2.11%**	**1954.21**	**2.00%**	**12.51**	**2.11%**	**1966.72**
Balance as at 31st March 2017	4.07%	13989.53	2.63%	2763.38	(0.05%)	0.31	2.64%	2763.69
2 National Aromatics and Petrochemical Corporation Limited								
Balance as at 31st March 2018	-	-	-	-	-	-	-	-
Balance as at 31st March 2017	-	-	-	-	-	-	-	-
Total Balance as at 31st March 2018	**100.00%**	**399700.20**	**100.00%**	**92722.12**	**100.00%**	**625.90**	**100.00%**	**93348.00**
Total Balance as at 31st March 2017	100.00%	344110.15	100.00%	105082.34	100.00%	(568.10)	100.00%	104514.24

COMMENTS OF CAG

Comments of the Comptroller and Auditor General of India

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 2018

The preparation of financial statements of **Chennai Petroleum Corporation Ltd.** for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **10 May 2018**

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 2018. 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

(R. AMBALAVANAN)
Principal Director of Commercial Audit and
Ex-Officio Member, Audit Board, Chennai

Place: Chennai
Date: 06 July 2018

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 2018

The preparation of consolidated financial statements of **Chennai Petroleum Corporation Ltd.** for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **10 May 2018.**

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of **Chennai Petroleum Corporation Limited** for the year ended 31 March 2018. We conducted a supplementary audit of the financial statements of Chennai Petroleum Corporation Limited for the year ended on that date. Further, Section 139(5) and 143(6)(b) of the Act are not applicable to Indian Additives Limited and National Aromatics and Petrochemical Corporation Limited being private entities for appointment of their Statutory Auditors nor for conduct of supplementary audit. Accordingly C&AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on behalf of the
Comptroller & Auditor General of India

(R. AMBALAVANAN)
Principal Director of Commercial Audit and
Ex-Officio Member, Audit Board, Chennai

Place: Chennai
Date: 06 July 2018

E-COMMUNICATION REGISTRATION FORM

(exclusively meant for Shareholders holding shares in physical form)

To,

Karvy Computershare Private Limited
Unit: **CHENNAI PETROLEUM CORPORATION LIMITED**
Karvy Selenium Tower, B, Plot No. 31 & 32,
Gachibowli, Financial District, Hyderabad - 500 032.

RE:- Green Initiative in Corporate Governance

Regd. Folio No.	
Name of 1st Registered Holder	
Name of Joint Holder / s	
Registered Address	
E-Mail ID to be Registered (IN Capital Letters)	

Date: **Signature..........................**

(First Holder)

1. On registration, all the communications, including the Annual Reports, will be sent at the registered e-mail address aforesaid.

2. Shareholders are requested to keep the Company / its Share Transfer Agent / Depository Participant informed of any change in their e-mail address.

(A group company of IndianOil)
Regd. Office: 536, Anna Salai, Teynampet, Chennai 600 018.
Website: www.cpcl.co.in; Email Id: shankarp@cpcl.co.in / sld@cpcl.co.in
Tel: 044-24349833 / 24346807 Fax: 044-24341753
CIN: L40101TN1965GOI005389

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the member(s)	
Registered Address	
Email id	
Folio No. / Client Id *	
DP ID *	

* Applicable for members who are holding shares in dematerialized form.

I/We, being the member(s) holding .... shares of the above named company, hereby appoint

1) .... of .... having email id .... or failing him

2) .... of .... having email id .... or failing him

3) .... of .... having email id ....

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 52nd Annual General Meeting of the Company, to be held on Friday, the 24th August 2018 at 03.00.pm at Kamaraj Arangam , 492, Anna Salai , Chennai- 600006 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl.No.	RESOLUTIONS
	ORDINARY BUSINESSES:
1.	To receive, consider and adopt the Audited Financial Statement of the Company (Standalone and Consolidated for the period from 1st April 2017 to 31st March 2018, together with the Director's Report and the Auditor's Report.
2.	To declare dividend on Preference shares for the year 2017-18
3.	To declare dividend on Equity Shares for the year 2017-18
4.	To appoint a Director in place of Mr. Sanjiv Singh (DIN No:05280701), who retires by rotation and being eligible, offers himself for reappointment.
	SPECIAL BUSINESSES:
5.	Appointment of Mrs. Perin Devi (DIN 07145051) as a Director

6.	Appointment of Mr.G.Aravindan, (DIN 07992886) as a Director
7.	Appointment of Mr.S.N.Pandey (DIN 08062182) as a Director
8.	Appointment of Mr.B.V.Rama Gopal (DIN 07551777) as a Director
9.	Appointment of Mr.Rajeev Ailawadi (DIN 07826722) as a Director
10.	Ratification of remuneration of Cost Auditor for the year 2018-19
11.	Amendment of Clause V of Memorandum of Association of the Company
12.	Alteration of Articles of Association of the Company by insertion of new Article 8A
13.	Cancellation of Unsubscribed Equity Share Capital of Rs.20,86,89,000 comprising 2,08,68,900 equity shares of Rs.10/- each.
14.	Cancellation of 2,19,700 forfeited equity shares of Rs.10/- each totalling Rs. 21,97,000 /-.

Signed this .... day of .... 2018.

Revenue Stamp

Signature of Member

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

NOTE: This Proxy Form duly filled in must be deposited at the Registered Office of the Company at 536, Anna Salai, Teynampet, Chennai – 600018 not less than 48 hours before the commencement of the Annual General Meeting.

(A group company of IndianOil)
Regd. Office: 536, Anna Salai, Teynampet, Chennai 600 018.
Website: www.cpcl.co.in; Email Id: shankarp@cpcl.co.in / sld@cpcl.co.in
Tel: 044-24349833 / 24346807 Fax: 044-24341753
CIN: L40101TN1965GOI005389

ATTENDANCE SLIP

DP ID.	*CLIENT ID	*FOLIO NO.	NO. OF SHARE(S)

* Applicable for members who are holding shares in dematerialized form.

I/We hereby record my / our presence at the 52nd Annual General Meeting of the Company, to be held on Friday, the 24th August 2018 at 3.00 pm, at Kamaraj Arangam , 492, Anna Salai , Chennai- 600006.

Name of the Member ....

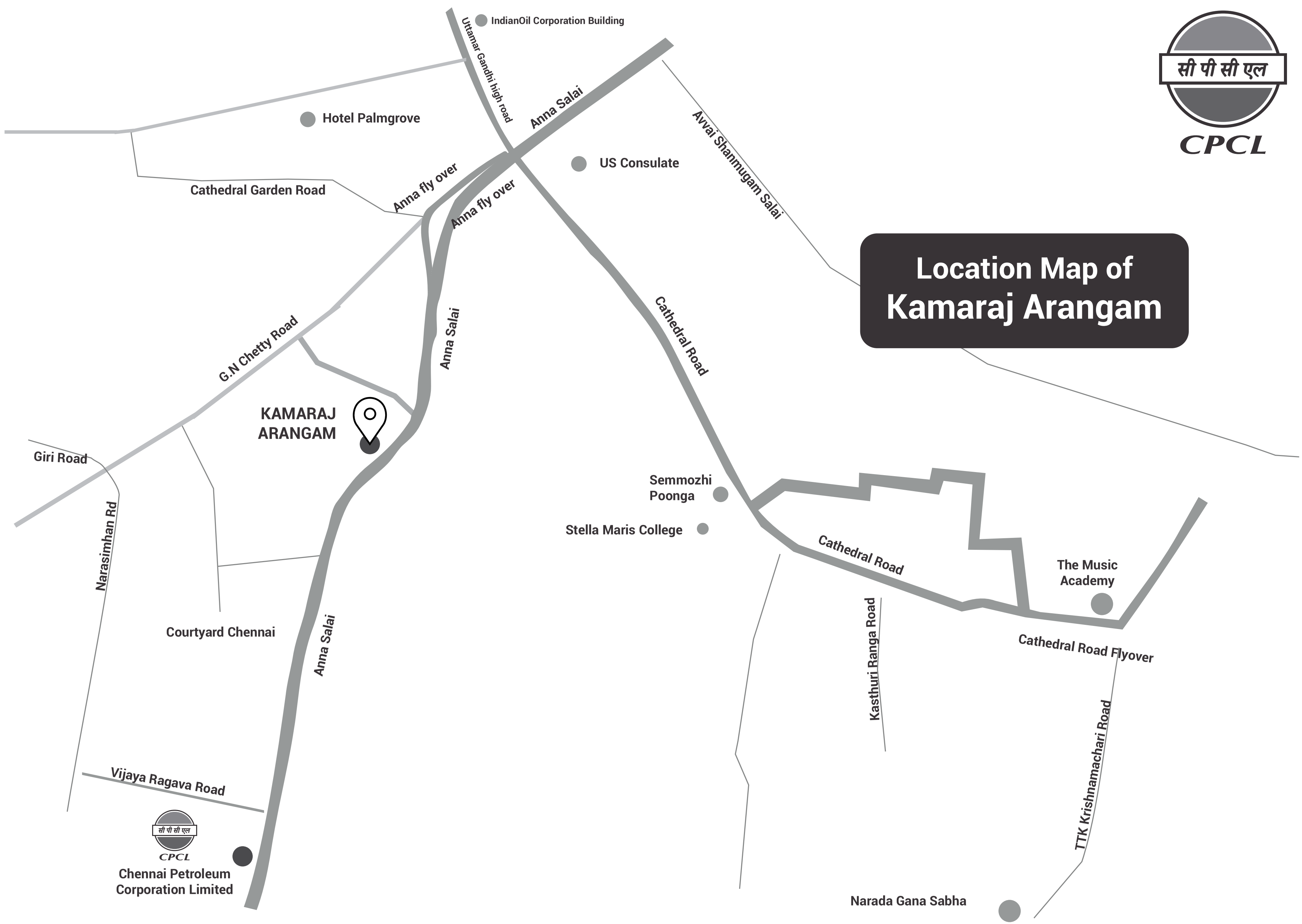
Signature of the Member ....

Name of the Proxy ....

Signature of the Proxy ....

NOTES:

1. Kindly sign and hand over the attendance slip at the entrance of the meeting hall.
2. Members/Proxy holders are requested to bring their copy of the Annual Report for reference at the meeting.


Location Map of
Kamaraj Arangam
सी पी सी एल
CPCL
IndianOil Corporation Building
Uttamar Gandhi high road
Hotel Palmgrove
Anna Salai
US Consulate
Avvai Shanmugam Salai
Cathedral Garden Road
Anna fly over
Anna fly over
Cathedral Road
G.N Chetty Road
Anna Salai
KAMARAJ
ARANGAM
Giri Road
Semmozhi
Poonga
Stella Maris College
Narasimhan Rd
Cathedral Road
The Music
Academy
Courtyard Chennai
Anna Salai
Cathedral Road Flyover
Kasthuri Ranga Road
TTK Krishnamachari Road
Vijaya Ragava Road
सी पी सी एल
CPCL
Chennai Petroleum
Corporation Limited
Narada Gana Sabha

The 51st Annual General Meeting (AGM) of CPCL was held in Chennai on 24.08.2017.
Mr.Sanjiv Singh, Chairman, IndianOil Group Companies,
Mr.Gautam Roy, Managing Director, Mr. S.Krishna Prasad, Director (Finance),
Mr. U.Venkata Ramana, Director (Technical)
and Directors on the Board of CPCL were present.

Chairman, IndianOil Group Companies announced
the Annual Results -2017-18 at a press meet in Chennai on 10.05.2018

Shri.S.N.Pandey, Managing Director, addressing the gathering on the
occasion of World Environment Day

CPCL paid an Equity Dividend of Rs. 162.26 crore and Preference Dividend
of Rs.66.50 crore for the year 2016-17 to IOCL in New Delhi on 04.09.2017

A GST Outreach Programme was conducted for the Oil Industry
stakeholders on 05.07.2017 at Chennai for CPCL's contractors,
vendors and various service providers.

Inaugural address by Shri G.Aravindan, Director (Operations) at the
Medical Camp, Nagore on 16.04.2018

The Foundation Stone for the'The Renewable Crude and Liquid Hydrocarbon
Fuel from Algae – Phase I', was laid by Mr. Gautam Roy, Managing Director,
CPCL on 28.07.2017 at CPCL-LPG Bulk Loading Terminal, Amullaivoyal.

CPCL signed an MOU with IIT,Madras on 21.06.2018 for adoption of
villages in Nagapattinam

चेन्नै पेट्रोलियम कॉर्पोरेशन लिमिटेड
(इंडियनऑयल की ग्रूप कम्पनी)

Chennai Petroleum Corporation Limited
(A group company of IndianOil)

Regd. Off.: New No: 536, Anna Salai, Teynampet, Chennai - 600 018.
Visit us at: www.cpcl.co.in