चेन्नै पेट्रोलियम कॉर्पोरेशन लिमिटेड
(भारत सरकार का उद्यम और आईओसीएल की समूह कंपनी)
Chennai Petroleum Corporation Limited
(A Government of India Enterprise and Group Company of IOCL)

सी पी सी एल
CPCL

31st July, 2023

To	To
Corporate Relations Department	Corporate Listing Department
BSE Limited	**National Stock Exchange of India Ltd.**
1st Floor, New Trading Ring	Exchange Plaza, 5th Floor
Rotunda Building, P J Tower	Plot No.C-1, G Block
Dalal Street	Bandra-Kurla Complex
Mumbai 400 001	Bandra (East), Mumbai 400 051

BSE CODE: 500110 **NSE CODE: CHENNPETRO**
ISIN: INE178A01016

SUBJECT: INTEGRATED ANNUAL REPORT FOR FY2022 - 2023 AND NOTICE OF 57TH ANNUAL GENERAL MEETING (AGM) OF CHENNAI PETROLEUM CORPORATION LIMITED

Dear Sirs/Madam,

This is further to our letter dated 28TH July, 2023, wherein the Company had informed that the 57th AGM of the Company is scheduled to be held on Tuesday, 22nd August, 2023. In compliance with the provisions of Companies Act 2013, rules framed thereunder and Regulation 34(1) read with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed the following documents for the financial year 2022-23, which have also been sent to shareholders:

• Notice of the 57th Annual General Meeting scheduled to be held on Tuesday, 22nd August, 2023 through Video Conference / Other Audio Visual Means (VC/OAVM).
• Integrated Annual Report for the financial year 2022-23 including Business Responsibility & Sustainability Report

Aforesaid documents are also available on the website of the Company, i.e. https://cpcl.co.in/investors/financials/annual-reports/ and on the website of KFin Technologies Limited at https://evoting.kfintech.com.

Please take the above on your record.
Thanking You,

Yours Faithfully,
For ***Chennai Petroleum Corporation Limited***
P Shankar
P.SHANKAR 31/7/23
COMPANY SECRETARY

31/7/23

Encl.: a/a

Chennai Petroleum Corporation Limited
(A Government of India Enterprise and A group company of IOCL)
Regd. Office: 536, Anna Salai, Teynampet, Chennai 600 018.
Website: www.cpcl.co.in; Email id: shankarp@cpcl.co.in/investors@cpcl.co.in
Tel: 044-24349833 / 24346807
CIN: L40101TN1965GOI005389

NOTICE

Notice is hereby given that the 57th Annual General Meeting of the members of CPCL will be held on Tuesday, the 22nd August, 2023 at 03:30 PM through Video Conference (VC)/ Other Audio Visual Means (OAVM), to transact the following businesses. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company at No.536, Anna Salai, Teynampet, Chennai- 600018, which shall be the deemed venue of the AGM.

Ordinary Businesses:

1. To receive, consider and adopt the Audited Financial Statement of the Company (Standalone and Consolidated) for the period from 1st April 2022 to 31st March 2023, together with the Directors' Report and the Auditor's Report.

2. To declare dividend on Preference Shares for the year 2022-23.

3. To declare dividend on Equity Shares for the year 2022-23.

4. To appoint a Director in place of Ms.Sukla Mistry (DIN:09309378), who retires by rotation and being eligible, offers herself for reappointment.

5. To appoint a Director in place of Mr.H.Shankar (DIN:08845247), who retires by rotation and being eligible, offers himself for reappointment.

Special Businesses:

6. Appointment of Mr. Rohit Kumar Agrawala (DIN: 10048961) 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.Rohit Kumar Agrawala (DIN 10048961) who was appointed as an Additional Director and designated as Director (Finance) by the Board of Directors with effect from 01.03.2023 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."

7. Appointment of Mr. K. Surendaran (DIN: 10091005) as an Independent Director

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

"RESOLVED that pursuant to the provisions of Section 161(1), 149 and 152 and other applicable provisions of the Companies Act 2013 read with Rules made thereunder including any statutory modifications or re-enactment thereof for the time being in force, the Articles of Association of the Company and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Mr.K.Surendaran (DIN: 10091005) who was appointed as an Additional Director and designated as an Independent Director by the Board of Directors with effect from 27.03.2023 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a period of 3 years from the date of appointment by the Board, not liable to retire by rotation."

8. Approval for Material Related Party Transactions with Cauvery Basin Refinery and Petrochemicals Limited, a Joint Venture Company of CPCL, for the year 2023-24 and 2024-25

To consider, and if thought fit, to pass the following resolutions as Ordinary Resolutions:

"RESOLVED THAT pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), other applicable laws, and amendments, modifications or re-enactments thereof, if any, and the policy on 'Materiality of related party transactions and on dealing with related party transactions' of the Company, as may be applicable, consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as "Board", which term shall include any duly authorized Committee constituted / empowered by the Board, from time to time, to exercise its powers conferred by this resolution), for continuation(s) or extension(s) or renewal(s) or modification(s) of earlier arrangements / transactions or as a fresh and independent transaction(s) or otherwise, whether entered into individually or taken together with previous transactions with Cauvery Basin Refinery and Petrochemicals Limited, a Joint Venture Company of CPCL, for financial year 2023-24 and 2024-25, notwithstanding the fact that all such transactions during the year 2023-24 and 2024-25 may exceed Rs. 1000 crore each, subject to a limit of 10% of the consolidated turnover of the Company of the preceding financial year."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers to any Committee of Directors and/or Director(s) and/or official(s) of the Company or to any other person(s) so authorized by it and to do all such acts, deeds, matters and things, the Board may in its absolute discretion deem necessary, including but not limited to finalizing the terms and conditions, methods and modes, finalizing and executing necessary documents, including contracts, schemes, agreements and such other papers, documents as may be required, filing any relevant documents and making representations, seeking all necessary approvals from relevant authorities, to give effect to aforesaid resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts, whatsoever that may arise without being required to seek further consent or approval of the members to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

9. Ratification of Remuneration of Cost Auditor for the year 2023-24

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.2,75,000 /-(Rupees Two lakh Seventy Five thousand only) plus applicable taxes and out of pocket expenses if any, to conduct the audit of cost accounts maintained by the company for the financial year 2023-24 payable to M/s.Madhavan Mohan & Associates, Cost Accountants, Chennai, the cost auditor of the company be and is hereby ratified"

10. Appointment of Mr. P. Kannan (DIN: 10250173) 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. P. Kannan (DIN 10250173) who was appointed as an Additional Director and designated as Director (Operations) by the Board of Directors with effect from 01.08.2023 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."

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

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

Date: 24.07.2023
Place: Chennai

Notes for e-AGM Notice:

1. Pursuant to the General Circular nos. 14/2020, 17/2020, 20/2020, 02/2021, 10/2022 dated 28.12.2022 & 11/2022 dated 28.12.2022 issued by the Ministry of Corporate Affairs ("**MCA**") and Circular no. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 & SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the Securities and Exchange Board of India ("**SEBI**") (hereinafter collectively referred to as ("**the Circulars**"), companies are allowed to hold AGM through VC/OAVM, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.

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

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

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

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

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

    Corporate / Institutional members are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email ID: lbandco.cs@gmail.com, with a copy marked to evoting@kfintech.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "CPCL, 57th Annual General Meeting".

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

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

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

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

9) The cut-off date shall be Wednesday, the 16th August, 2023 for the purpose of determining the eligibility of shareholders to participate in the 57th AGM.

10) A preference dividend of 6.65% on the paid up outstanding preference share capital of the Company, representing Rs.0.665 per preference share amounting to Rs.33.25 crore for the year 2022-23 will be paid to IOCL, as per the terms and conditions of the offer document.

11) The Board of Directors of the Company has recommended an equity dividend of 270% on the paid up share capital of the company corresponding to Rs.27.00 per share. The Company has fixed Friday, the 4th August, 2023 **as the 'Record Date'** for determining entitlement of members to receive the equity dividend for the year ended March 31, 2023, if approved, at the AGM. The dividend, once approved by the members in the AGM, will be paid to the eligible shareholders within the stipulated period of 30 days of declaration.

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

13) Members may note that the Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company is taxable in the hands of members. The Company shall therefore be required to deduct tax at source("**TDS**") at the time of making the payment of dividend. In order to enable us to determine the applicable TDS rate, members are requested to submit the relevant documents on or before **Monday, the 21st August, 2023**. The detailed communication regarding TDS on dividend is provided on the link: https://cpcl.co.in/investors/financials/exchange-intimations/. Kindly note that no documents in respect of TDS would be accepted from members after **Monday, the 21st August, 2023**.

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

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

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

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

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

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

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

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

19) As per the provisions of Section 124(5) & (6) of the Companies Act 2013, the dividends which remain unpaid/unclaimed for a period of 7 years is to be transferred to the Investor Education and Protection Fund. Accordingly, the Company has transferred all unclaimed dividend declared upto the financial year 2011-12, to Investor Education & Protection Fund (IEPF) established by the Central Government. Further, in respect of the shareholders, who have not claimed the dividend for the Financial Year 2015-2016 and all other Dividends declared by the Company for 7 consecutive years thereafter, the shares held by them are liable to be transferred to the IEPF. The Company has sent individual communication on 20.05.2023 to those shareholders at their latest available address. The Company has also uploaded the details of such shareholders along with details of shares due for transfer to IEPF on its website at www.cpcl.co.in. Shareholders are requested to refer to the web link https://cpcl.co.in/investors/share-holder-information/iepf/ to verify the details of the shares liable to be transferred to IEPF. It was also highlighted in the Annual Report 2021-2022 that as per Section 124 (6) of Companies Act, 2013 read with the Rules made there under all shares in respect of which dividend has not been claimed for 7 consecutive years or more shall be transferred by the company in the name of IEPF. The details of such shares i.e., shares transferred to IEPF were also hosted in the website of the Company www.cpcl.co.in.

20) The dividend for the financial year 2015-16, 2016-17, 2017-18 & 2021-22 which remains unclaimed for a period of 7 years would be transferred to the IEPF on respective due dates i.e. 06.10.2023, 23.09.2024, 23.09.2025 & 28.09.2029. The members, who have not encashed their dividend warrants so far, for the financial years 2015-16, 2016-17, 2017-18 & 2021-22 may write to the RTA, M/s. KFin Technologies Limited, Hyderabad or at the registered office of the Company for claiming the unpaid dividend.

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

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

22) A brief Resume of the Directors of Company, seeking appointment/re-appointment at this Annual General Meeting, and their expertise in specific functional areas, is given as part of the Notice of 57th Annual General Meeting.

The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and other relevant documents will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM **i.e. 22.08.2023**. Members seeking to inspect such documents can send an email to investors@cpcl.co.in / shankarp@cpcl.co.in / sriramas@cpcl.co.in.

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

However, as per "MCA Circulars" and SEBI Circular dated 12.05.2020, 13.01.2021, 15.01.2021, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those members whose email address is registered with the Company/Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.cpcl.co.in and in websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFIN Technologies Ltd viz., www.kfintech.com.

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

1. Members may access the platform to attend the AGM through VC/OAVM at https://emeetings.kfintech.com by using their remote e-Voting credentials or by using their Registered Mobile number and OTP. The link for the AGM will be available in the Shareholder/Members login where the "EVENT" and the "Name of the Company" can be selected. Please note that the Members who have not registered their e-mail address or do not have the User-ID and Password for e-Voting or have forgotten the User-ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in this Notice. Further, Members can also use the OTP based login for logging into the e-meeting system.

   In order to login using the registered mobile number, Members should follow the instructions below.

   a) On the eMeeting webpage, use the Mobile OTP option.

   b) Select the Meeting / Name of the Company.

   c) Enter Registered Mobile Number.

   d) Click on Send OTP.

   e) Post validation, join by selecting the Folio.

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

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

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

5. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended

to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

6. Members who need assistance before or during the AGM, can contact RTA viz., M/s.Kfin Technologies Ltd. on e-voting@kfintech.com or Mr. Mohsin, Senior Manager, at 040- 67161562.

7. **AGM Questions prior to e-AGM:** Shareholders who would like to express their views/ask questions during the meeting may log into https://emeetings.kfintech.com/ and click on "Post your Questions" to post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that, member's questions will be answered only, if the shareholders continue to hold the shares as of cut-off date BENPOS. The posting of the questions shall commence on **Monday, the 14th August, 2023 and close on Thursday, the 17th August, 2023**.

8. **Speaker Registration during e-AGM session:** Members may log into https://emeetings.kfintech.com/ and click on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit. The speaker registration shall commence on **Monday, the 14th August, 2023 and close on Thursday, the 17th August, 2023.**

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

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

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

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

26) Remote e-Voting through Electronic Means

In terms of the provisions of section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and Regulation 44 of the Listing Regulations, the Company is providing facility of remote e-voting to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as **on Wednesday, the 16th August, 2023, being the cut-off date** fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by KFin or to vote at the e-AGM. Person who is not a member as on the cut-off date should treat this Notice for information purposes only.

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

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

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

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

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

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

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

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

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

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

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

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

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

xii. **Members can cast their vote online from 9.00 AM Friday, the 18th August, 2023 till 5.00 PM Monday, the 21st August, 2023**. Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked.

xiii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of https://evoting.kfintech.com or call KFin on 1800 309 4001 (toll free).

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
	3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Existing user who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.
	2. After successful login of Easi / Easiest the user will also be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KFINTECH, LINK INTIME, CDSL. Click on e-Voting service provider name to cast your vote.
	3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration.
	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

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

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

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

27) The voting rights of the members shall be in proportion to their shares in the paid up equity share capital of the Company, as on the cut-off date.

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

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

30) The Results on resolutions shall be declared within 48 hours of the conclusion of the e-AGM and the resolutions will be deemed to be passed on the e-AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.

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

32) Process for registration of email address for obtaining Integrated Annual Report for e-voting and updation of bank account mandate for receipt of dividend:

<table>
<tr><td>Physical Holding</td><td>Physical shareholders are hereby notified that based on SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated March 16th, 2023, all holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite ISR form along with the supporting documents.

ISR 1 Form can be obtained by following the link: https://ris.kfintech.com/clientservices/isc/default.aspx

ISR Form(s) and the supporting documents can be provided by any one of the following modes.

a) Through ‘In Person Verification’ (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or

b) Through hard copies which are self-attested, which can be shared on the address below; or

<table>
<tr><td>Name</td><td>KFIN Technologies Limited</td></tr>
<tr><td>Address</td><td>Selenium Building, Tower-B,</td></tr>
<tr><td></td><td>Plot No 31 & 32, Financial District,</td></tr>
<tr><td></td><td>Nanakramguda, Serilingampally,</td></tr>
<tr><td></td><td>Hyderabad, Rangareddy, Telangana, India - 500 032.</td></tr>
</table>

c) Through electronic mode with e-sign by following the link: https://ris.kfintech.com/clientservices/isc/default.aspx#

Detailed FAQ can be found on the link: https://ris.kfintech.com/faq.html</td></tr>
<tr><td>Demat Holding</td><td>Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.</td></tr>
</table>

Statement Setting out the Material Facts Relating to the Special Businesses in Pursuance of Section 102 (1) of the Companies Act, 2013

Item No. 6

Mr. Rohit Kumar Agrawala, was appointed as an Additional Director with effect from 01.03.2023. As per the provisions of Section 161 of the Companies Act, 2013, Mr.Rohit Kumar Agrawala will hold office only upto the date of the 57th Annual General Meeting of the Company.

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

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

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

Item No. 7

Mr.K.Surendaran, was appointed as an Additional Director and designated as an Independent Director with effect from 27.03.2023. As per the provisions of Section 161 of the Companies Act, 2013, Mr.K.Surendaran will hold office only upto the date of the 57th Annual General Meeting of the Company.

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

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

The Company has received a declaration from Mr.K.Surendaran that he meets the criteria of independence as prescribed under Section 149(6) of the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr.K.Surendaran is not debarred from holding the office of Director by virtue of any order of SEBI / any other authority.

In the opinion of the Board, Mr.K.Surendaran fulfils the criteria of independence as specified in the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and is independent of the Management.

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

Item No. 8

As per Section 188 of the Act, Related Party Transactions (RPT) such as sale / purchase of goods or services, disposal or lease of property of any kind, appointment of any agent for purchase or sale of any goods, materials, services or property, appointment to an office of profit and underwriting the subscription of securities / derivatives of the Company, shall require prior approval of members, if transactions exceeded such sums, as prescribed. Further, such transactions are exempt from the requirement of obtaining prior approval of members, if they are in ordinary course of business and at arms' length.

Further, Reg. 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations) contains provision relating to prior approval of members for material related party transactions even if such transaction is in ordinary course of business and at arms' length.

As per Listing Regulations, an RPT with a Related Party (RP) shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs.1000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower.

CPCL undertakes transactions with its Related Parties (RPs) i.e. Joint Venture Companies in the ordinary course of its business for which approval of Audit Committee is obtained in compliance with extant provisions of the Act & Listing Regulations.

In view of the provisions of Reg.23 of Listing Regulations and further clarification provided by SEBI from time to time, prior approval of members for material RPT's will have to be taken on annual basis, if the transaction(s) to be entered into individually or taken together with previous transactions during the Financial years 2023-24 and 2024-25, exceeds Rs. 1000 crore each or 10% of the annual consolidated turnover of CPCL as per the last audited financial statements, whichever is lower.

Material RPT's with RP's during 2023-24 and 2024-25

As the expected value of the transactions with the RP's as mentioned at Item No. 8 is likely to exceed Rs.1000 crore each during the years 2023-24 and 2024-25, members' approval for the material RPT's is being sought. The Audit Committee and the Board of the Company have reviewed the material RPT and recommended seeking members approval for the same.

The summary of information required under the Listing Regulations w.r.t RPT's which are likely to exceed Rs. 1,000 Crore each during 2023-24 and 2024 - 25 and require approval of members is as under:

i.	Name of the RP	Cauvery Basin Refinery and Petrochemicals Limited (CBRPL)
ii.	Nature of Relationship	Joint Venture Company (JVC) of CPCL
iii.	Nature of Business	Setting up of 9 MMTPA Refinery at Nagapattinam, TamilNadu
iv.	Type of RPT's	- Investment in securities - Reimbursement of salary of employees on deputation / other expenses and overheads incurred - Sale/Lease of Property, Plant & Equipment (including but not limited to Land) together with associated Inventories, if any - Assignment of Contracts / Licenses etc., together with associated obligations
v.	Material Terms and Conditions	In line with prescribed terms and conditions.
vi.	Details of source of funds for equity investment	Internal accruals
vii.	a) Expected value of RPT for 2023-24	Rs.1100 crore
	b) Expected value of RPT for 2024-25	Rs. 1700 Crore
viii.	Tenure of the RPT	One year each i.e. for 2023-24 and 2024-25
ix.	Justification for RPT with the RP	For furtherance of business interest of the Company
x.	Value of RPT as % of CPCL's consolidated turnover of Rs. 90908.27 crore for the year 2022-23	1.21% and 1.87 % respectively
xi.	Maximum value of RPT during 2023-24 and 2024-25	10% of the consolidated turnover of the Company in the preceding financial year.

None of the directors, key Managerial Personnel and their relatives are interested in the resolution, except Mr Arvind Kumar and Ms Sukla Mistry who are on the board of CPCL and CBRPL.

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

Item No. 9

The proposal for appointment of M/s.Madhavan Mohan & Associates, Cost Accountants, Chennai as the Cost Auditor of the Company for the Financial Year 2023-24 at a remuneration of Rs. 2,75,000/- plus applicable taxes and out of pocket expenses, if any, to conduct the audit of cost accounts maintained by the company was recommended by the Audit Committee and the Board on 25.01.2023.

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. 2,75,000/- plus applicable taxes and out of pocket expenses, if any, to conduct the audit of cost accounts maintained by the company for the Financial Year 2023-24 payable to M/s.Madhavan Mohan & Associates, Cost Accountants, Chennai, the cost auditors of the company is proposed for ratification by the members.

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

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

Item No. 10

Mr. P. Kannan, was appointed as an Additional Director by the Board of Directors with effect from 01.08.2023. As per the provisions of Section 161 of the Companies Act, 2013, Mr. P. Kannan will hold office only upto the date of the 57th Annual General Meeting of the Company.

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

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

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

Brief Resume of the Directors of the Company, Seeking Appointment / Re-Appointment at the 57th Annual General Meeting

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

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

Number of Board Meeting attended during 2022-23-	8
Details of Directorships in other companies-	3
Membership / Chairmanship in the Committees of other companies-	1
No. of Shares held in the company as on date	Nil
Relationship between Directors and Key Managerial Personnel	None

2) Mr.H.Shankar, born on 06.03.1969 was appointed on the Board effective 1.10.2020. He holds a Bachelor's Degree in Mechanical Engineering from Osmania University, Hyderabad. He also holds a Master's Degree in Business Administration in General Management from Maharaja Sayajirao University. He has got nearly three decades of experience in the areas of Engineering, Maintenance, Project construction, Project Management, Materials & Contracts Management and indepth knowledge in Health, Safety and Environment.

He is the member of Risk Management Committee, Board Project Committee, CSR &SD Committee and Planning and Projects Committee of CPCL. Inter-se relationship between Directors is none.

Number of Board Meeting attended during 2022-23-	8
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 and Key Managerial Personnel	None

3) Mr.Rohit Kumar Agrawala, born on 25.06.1973, was appointed as Director (Finance), Chennai Petroleum Corporation Limited w.e.f 01.03.2023 in terms of letter No.CA-31019/1/2021-PNG dated 01.02.2023 from the Ministry of Petroleum and Natural Gas, Government of India.

Mr.Rohit Kumar Agrawala is a Chartered Accountant and holds a Masters Degree in Business Administration (Gold Medalist) from Xavier Institute of Management, Bhubaneswar. He started his career in Indian Oil Corporation Ltd in 1997 and has a multi-unit experience having worked in Refineries of IOCL in Guwahati, Paradip, Vadodara and Mathura. He has more than ten years of experience in Corporate Finance. He was Team Lead for multiple Change Management assignments in IOCL. Prior to joining CPCL, he was Chief General Manager (Finance), Business Development Division, IOCL Corporate Office, New Delhi.

Mr.Rohit Kumar Agrawala is a member of the Risk Management Committee, Board Projects Committee, CSR & SD Committee, Stakeholders Relationship Committee and Planning and Projects Committee. He is also a permanent invitee of the Audit Committee. He is not holding shares in the Company. Inter-se relationship between Directors is none.

Number of Board Meeting attended during 2022-23	- NA
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 and Key Managerial Personnel	- None

4) Mr.K.Surendaran born on 10.03.1970, was appointed on the Board effective 27.03.2023. Mr.K.Surendaran is an Indian politician from the Kasaragod District of Kerala. He holds a Bachelor of Science Degree in Chemistry, University of Calicut.

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

Number of Board Meeting attended during 2022-23	- NA
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 and Key Managerial Personnel	- None

5) Mr.P.Kannan, born on 23.10.1966 was appointed on the Board effective 1.08.2023. He is a B. Tech (Chemical Engineering) graduate from Alagappa College of Technology, Anna University, Chennai. He has been with CPCL for more than 34 years and has headed Operations in both Manali and Nagapattinam Refineries prior to joining the Board of Directors. He has held various positions in Manufacturing, Process Engineering etc.

He is the member of Risk Management Committee, Board Project Committee, and Planning and Projects Committee of CPCL. Inter-se relationship between Directors is none.

Number of Board Meeting attended during 2022-23	-NA
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 and Key Managerial Personnel	None

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

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

Date: 24.07.2023
Place: Chennai

सी पी सी एल
CPCL

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

Chennai Petroleum Corporation Limited
(A Govt. of India Enterprise and a group company of IndianOil)

75 Azadi Ka Amrit Mahotsav

G20 भारत 2023 INDIA वसुधैव कुटुम्बकम् ONE EARTH • ONE FAMILY • ONE FUTURE

Marching towards Green Energy
Upgrading Technology for a Sustainable Future

1st Integrated Annual Report 2022-23

TABLE OF CONTENTS

For a rapidly developing economy like India with 1.4 billion aspirational population, sustainable supply of petroleum products is the critical need of the hour. We are committed to expanding our role and responsibility in providing an array of value added petroleum products and contribute more meaningfully & sustainably to the nation's progress.

About CPCL

The CPCL Saga

Chennai Petroleum Corporation Limited (CPCL), formerly known as Madras Refineries Limited (MRL) was formed as a joint venture in 1965 between the Government of India (GOI), AMOCO and National Iranian Oil Company (NIOC). AMOCO disinvested CPCL equity in favour of the Government of India in 1985. Later Government of India transferred its equity to IOCL and CPCL became a subsidiary of IOCL in 2001. The present capacity of CPCL, Manali Refinery is 10.5 MMTPA.

Pioneering sustainability

CPCL Manali Refinery is one of the most complex refineries in India with Fuel, Lube, Wax and Petrochemical feedstock production facilities. The 5.8 MGD Sea Water Desalination Project to augment the water requirements of its refinery was first of its kind in the industry. CPCL is also having a windfarm consisting of 22 windmills with total installed capacity of 17.6MW for meeting the power requirements of Desalination plant through wheeling arrangement.

Our Products and specialty offering

The main products of the Company like LPG, Motor Spirit, Superior Kerosene, Aviation Turbine Fuel, High Speed Diesel, Naphtha, Fuel Oil, Lube Base Stocks and Bitumen are being marketed by parent company IOCL. The remaining speciality products like Paraffin Wax, Mineral Turpentine Oil (MTO), Hexane, Petrochemical feed stocks, Linear Alkyl Benzene Feedstock (LABFS), Petroleum Coke and Sulphur are directly marketed by CPCL. Products of national importance like Navy grade NATO Diesel, Missile fuel (JP-7 equivalent) and Rocket propellant fuel are also produced by us.

CPCL has a Wax Plant of 30,000 metric tonnes (MT) capacity per annum, to produce paraffin wax for manufacture of candle wax, waterproof formulations and match wax. A Propylene Plant

was commissioned in 1988 with an initial capacity of 17000 MT per annum to supply petrochemical feedstock to neighbouring downstream industries. The unit was revamped to enhance the propylene production capacity to 30,000 MT per annum in 2004.

CPCL's second refinery, located at Nagapattinam was commissioned in 1993. This Cauvery Basin Refinery (CBR) was a small well-head refinery processing crudes from nearby ONGC fields, Ravva crude and KG-D6 crude. CBR has been decommissioned with effect from 01.04.2019, paving the way for a new refinery of 9.0 MMTPA capacity, along with a Petrochemical facility, currently under execution jointly with IndianOil.

Catalysing and Compounding growth

Our refinery is situated in Manali area at Chennai. We have catalysed the industrial growth and a host of petrochemical industries have established presence in the vicinity in and around Manali. We are the principal supplier of feedstock to all such allied petrochemical industries in the Manali cluster further adding value to the feedstock provided by the company. This industrial ecosystem has created substantial value through economic growth and employment opportunities to local populations directly and indirectly. Given the immense value addition potential of the feedstock available from the refineries and an active and vibrant industrial ecosystem, the future is laden with exciting opportunities for both CPCL and the entire Manali Cluster to grow, diversify and create significant further value addition sustainably.

The Nelson complexity index (NCI) provides an easy metric for quantifying and ranking the complexity of various refinery units. A high refinery complexity indicates a high level of capital investment in sophisticated process units, a higher cash margin potential per barrel of throughput, and greater refining asset value per barrel of distillation capacity. Based on the Oil and Gas Journal published in 2022, NCI of CPCL is 10.03, making it the fifth most complex refinery in India and second most among IOCL Group Refineries.

235,000 barrels
Crude refining capacity per day

Mother Industry
Downstream Petrochemical units

Integrated Refinery
Fuel, Lube & Petrochemical complex

World Class Licensors
State of the art Process technology

Front runner to set up Wind Mill farm 17.6 MW

Fuel switching to RLNG CO_2, Emissions reduced 0.35 MMTPA

1.25 MW Rooftop solar

Zero discharge for Treated Trade Effluents

Asia's first City Sewage Reclamation 5.0 MGD

Sea Water Desalination Plant 5.8 MGD

Compliance with BS VI Auto Fuel Norms

152 acres afforestation

Water Sustainability

Vision

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

Mission

- To manufacture and supply petro products at competitive prices, meeting the quality expectations of the customer.
- To pro-actively fulfill social commitments, including environment and safety.
- To constantly innovate new products and alternate fuels.
- To recognize Human Resources as the most valuable asset and foster a culture of participation for mutual growth.
- To ensure high standards of business ethics and corporate governance.
- To maximize growth, achieve national pre-eminence and maximize stakeholders' wealth.

Core Values

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

Our Integrated Business Model

Board of Directors

Shrikant Madhav Vaidya
Non-Executive Chairman

Arvind Kumar
Managing Director

S.Krishnan
Director-Operations

H.Shankar
Director-Technical

Rohit Kumar Agrawala
Director - Finance (w.e.f 01.03.23)

Sukla Mistry
Nominee Director, Indian Oil Corporation Limited

Deepak Srivastava
Director(Mktg). MoP&NG, Nominee Director, GoI

Babak Bagherpour
Nominee Director - Naftiran Intertrade Co. Ltd.

M.B.Dakhili
Nominee Director - Naftiran Intertrade Co. Ltd.

Ravi Kumar Rungta
Independent Director

Dr. C. K. Shivanna
Independent Director

K Surendaran
Independent Director (w.e.f 27.03.23)

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

Managing Director along with Functional Directors

H.Shankar	Rohit Kumar Agrawala	Arvind Kumar	S.Krishnan
Director-Technical	Director - Finance	Managing Director	Director-Operations

Chief Vigilance Officer

J.T.Venkateswarlu

Corporate Executives

P.Kannan
CGM - Technical i/c

G.Premchand
CGM-Human Resources

S.Venkateswaran
CGM - Finance

S.Sadagopan
CGM - Logistics & Projects

Anil Sahni
CGM - Technical Services

A.Dharmaraj
CGM - (Materials & Contracts)

V.Srikanth
CGM - Technical

P.Shankar
Company Secretary

Greenery in CPCL, Manali Refinery

Marching Ahead in our Energy Journey

1969
Commissioning of Refinery with capacity 2.5 Million Metric Tons per Annum (MMTPA) and Lube Oil Block

1984
Commissioning of 2.8 MMTPA Refinery with fluid catalytic cracking (FCCU) and wax processing

1987
First in the Industry to implement Advance Process Control

1989
First Distributed Control System in India

1993
Commissioning of Cauvery Basin Refinery of 0.5 MMTPA

2001
Addition of Gas processing unit at Cauvery Basin Refinery (CBR) and Expansion of CBR to 1MMTPA

2004
Commissioning of 3 MMTPA with Once Through Hydro Cracker Unit (OHCU)

2007
Commissioning of Wind mill farm consisting of 22 windmills with installed capacity of 17.6MW

2009
First PSU Refinery to put up Desalination plant

2010
0.3 MMTPA Continuous Catalytic Reforming Unit (CCRU) Commissioned

2011
Implemented Fuel Quality improvement projects to meet BS-IV fuel

2017
Commissioned Resid upgradation project including Delayed Coker Unit of capacity 2.2 MMTPA

2019
Implemented Fuel Quality improvement projects to meet BS-VI fuel norms

2020
Indigenous Fuel production for Long range Missile

2021
Indigenous Production of Rocket Propellant Fuel

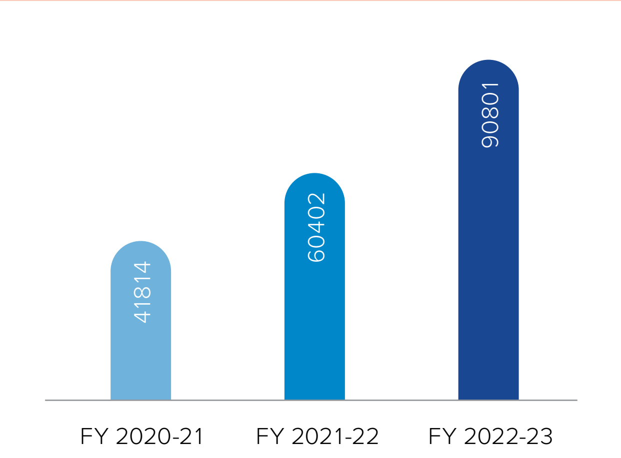
2022
Completion of Project for use of Regassified Liquified Natural Gas (RLNG) as Feed Stock/Fuel

Key Performance Highlights

Financial Performance

Revenue from operations

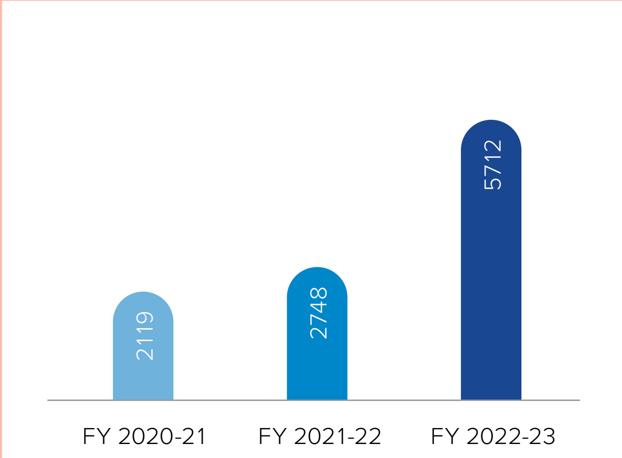
(₹ in crore)



29.5% CAGR

EBIDTA

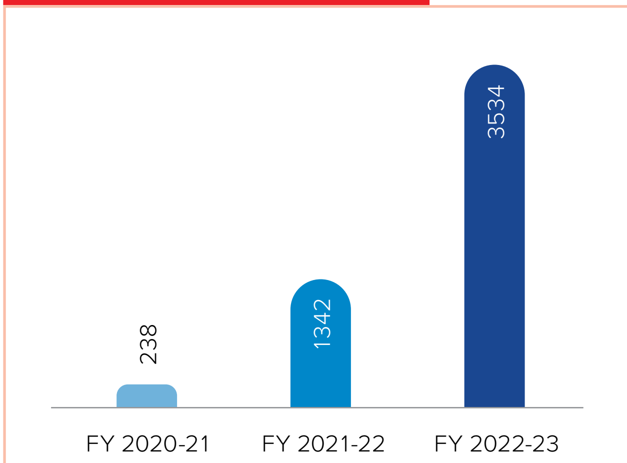
(₹ in crore)



Margin expansion with robust operational performance

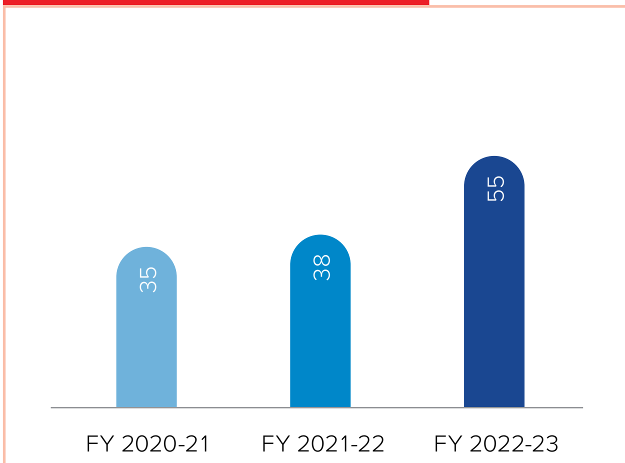
PAT

(₹ in crore)



ROCE

(in %)

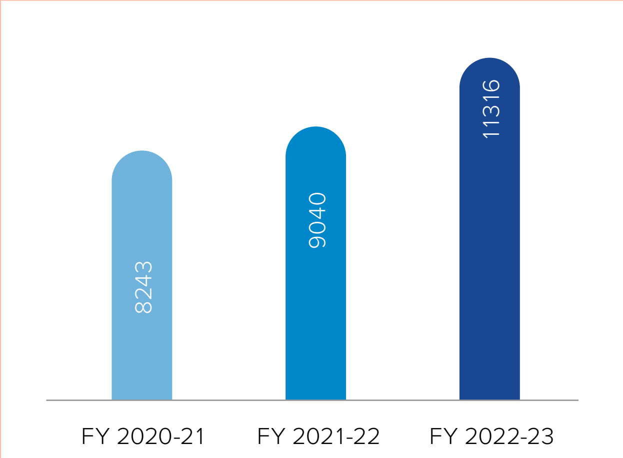


Highest PAT backed by highest ever Physical Performance

Operational Performance

Crude Thruput

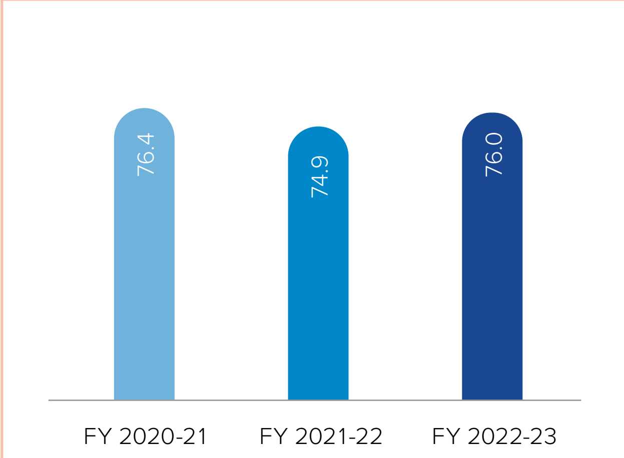
(in TMT)



Surpassed nameplate capacity of 10.5 MMTPA and achieved highest ever

Distillate Yield

(in %)

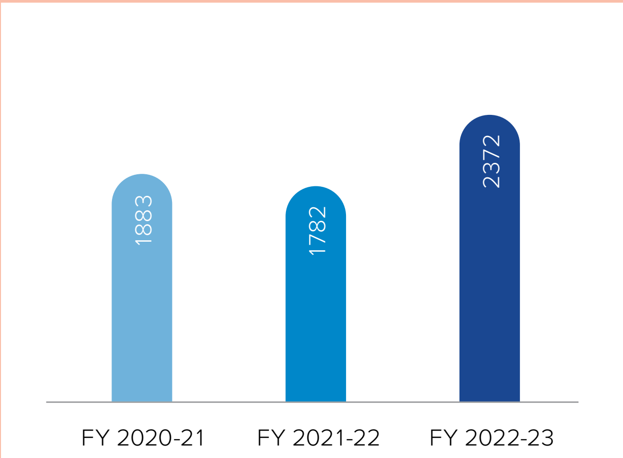


Improved performance resulting in high Distillate Yield

Secondary Process Unit Thruput

OHCU

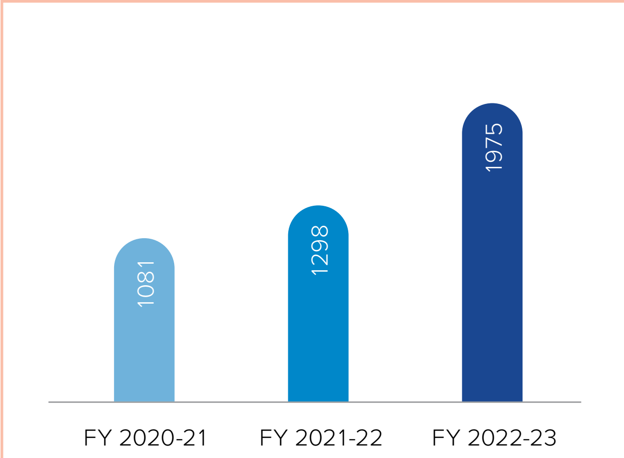
(in TMT)



Highest ever OHCU thruput resulting in Highest HSD production

DCU

(in TMT)



Optimising Feedstock and maximising Distillate Yield

Corporate Information

Registered & Corporate Office

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

Refinery

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

Delhi Liaison Office

105-109, Ansal Chambers-I No.3, Bhikaji Cama Place
R.K Puram, New Delhi, Delhi 110066
Ph No : 011 2610 6341, 011 2610 6342

Registrar & Transfer Agent

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

Principal Banker

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

Public Information Officer

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

Compliance Officer

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

Statutory Auditors

G M Kapadia & Co
Chartered Accountants
7A, P.M. Towers, 37 Greams Road
Thousand Lights, Chennai- 600 006
Tel. : (91-44) 28291795
Email : satya@gmkco.com

Cost Auditors

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

Secretarial Auditor

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

Stock Exchanges

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

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

Debenture Trustees

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

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

Ten Years Profile

WHAT WE EARNED AND WHAT WE SPENT

(₹ in Crore)

	Pre-Ind AS		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	2013-14	2014-15								
WHAT WE EARNED										
Income										
Turnover	53924	47878	34954	40586	44135	52177	48624	41814	60402	90801
Interest	14	26	16	16	19	29	18	14	14	7
Miscellaneous Receipts	45	29	38	46	73	54	88	178	82	115
Change in inventories	72	(1321)	(209)	(105)	607	410	(990)	892	1227	(979)
Prior period Income / (Expense)	13	(4)	-	-	-	-	-	-	-	-
Sub-Total	**54068**	**46608**	**34799**	**40543**	**44834**	**52670**	**47740**	**42898**	**61725**	**89945**
WHAT WE SPENT										
Expenditure										
Raw Materials	47469	39558	23107	24442	29728	39634	36698	20013	40108	67626
Excise Duty	4583	6010	9125	12916	11661	10863	11533	19454	17099	14174
Manufacturing Expenses	306	277	310	315	322	448	447	345	415	508
Employee Benefits Expense	292	339	357	513	582	461	508	565	555	556
Other Expenses	791	536	515	378	418	688	633	401	801	1368
Finance Costs	568	404	352	273	321	420	413	375	412	330
Depreciation and Amortisation	390	226	274	279	340	453	468	466	504	573
Impairment on Property,Plant & Equipment / CWIP	-	-	-	62	4	1	54	2	-	-
Sub-Total	**54399**	**47350**	**34040**	**39178**	**43376**	**52968**	**50754**	**41621**	**59894**	**85136**
Profit Before Tax	**(331)**	**(742)**	**759**	**1365**	**1458**	**(298)**	**(3016)**	**1277**	**1832**	**4809**
Provision for Taxation	(27)	(703)	17	335	545	(85)	(938)	1039	489	1275
Profit After Tax	**(304)**	**(39)**	**742**	**1030**	**913**	**(213)**	**(2078)**	**238**	**1342**	**3534**
Other Comprehensive Income	-	-	(2)	(6)	6	(2)	(40)	(5)	23	(13)
Total Comprehensive Income	**(304)**	**(39)**	**740**	**1024**	**919**	**(215)**	**(2117)**	**232**	**1366**	**3521**
Dividend including Dividend Distribution Tax	-	-	72	376	332	-	-	-	30	402

(₹ in Crore)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Value Distribution	918	226	1741	2429	2701	1035	(1627)	2682	3303	6269
Distribution :										
To Employees	292	339	357	513	582	461	508	565	555	556
To Providers of Capital										
- Finance Cost	568	404	352	273	321	420	413	375	412	330
- Dividend	-	-	60	313	275	-	-	-	30	402
To Government- Income Tax & Dividend Tax	(27)	(703)	29	399	601	(85)	(938)	1039	489	1275
Retained in Business										
- Depreciation	390	226	274	279	340	453	468	466	504	573
- Retained earnings	(304)	(39)	670	653	581	(213)	(2078)	238	1312	3132

WHAT WE OWE AND WHAT WE OWN

(₹ in Crore)

	Pre-Ind AS		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	2013-14	2014-15								
What We Owe										
Equity Share Capital	149	149	149	149	149	149	149	149	149	149
Reserves	1573	1506	2212	3165	3708	3161	1043	1276	2641	6132
Networth	**1722**	**1655**	**2361**	**3314**	**3857**	**3310**	**1192**	**1425**	**2790**	**6281**
Preference Share Capital	-	-	1042	1080	1080	547	572	606	639	533
Borrowings	5600	5399	3567	4501	3411	6121	8126	8561	8584	3701
Deferred Tax Liability	703	-	-	24	206	121	-	104	563	765
Total	**8025**	**7054**	**6970**	**8919**	**8554**	**10099**	**9890**	**10696**	**12576**	**11280**
What We Own										
Fixed Assets	8166	8176	4379	4456	6829	8341	8889	9408	9635	10817
Less: Depreciation & Impairment	3882	4106	265	578	940	1387	1876	2311	2710	3221
Fixed Assets (Net WDV)	**4284**	**4070**	**4114**	**3878**	**5889**	**6954**	**7013**	**7097**	**6925**	**7596**
Intangible Assets	49	49	6	7	28	28	28	55	56	57
Less: Amortisation	41	42	1	2	3	5	6	10	13	16
Intangible Assets (Net WDV)	**8**	**7**	**5**	**5**	**25**	**23**	**22**	**45**	**43**	**41**
Capital WIP	364	840	1753	2843	1439	1221	1603	1553	1210	334
Investments	25	25	12	12	12	12	12	12	12	12
Deferred Tax Asset	-	-	-	-	-	-	934	-	-	-
Assets held for transfer	-	-	-	-	-	-	-	-	593	857
Working Capital	3344	2112	1085	2181	1190	1889	306	1989	3793	2441
Total	**8025**	**7054**	**6970**	**8919**	**8554**	**10099**	**9890**	**10696**	**12576**	**11280**

FINANCIAL INDICATORS

	Pre-Ind AS		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	2013-14	2014-15								
"Debt Equity Ratio (as per Companies Act)"	3.25	3.26	1.05	1.02	0.69	1.59	4.60	4.22	2.50	0.54
Earnings per share (₹)	(20.40)	(2.62)	49.82	69.15	61.31	(14.33)	(139.52)	15.95	90.15	237.29
Profit After Tax to Average Networth (%)	(16.21)	(2.31)	36.94	36.29	25.46	(5.95)	(92.30)	18.16	63.70	77.92
Dividend (%)	-	-	40	210	185	-	-	-	20	270
Dividend Payout (%)	-	-	8.03	30.37	30.18	-	-	-	2.22	11.38

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

Ratios	31-Mar-23	31-Mar-22	Variation	Reasons for variation (> 25%)
(a) Debt-Equity Ratio,	**0.67**	3.31	80%	Refer Note (i)
[(Non-Current Borrowings+ Current Borrowings)/ Total Equity]				
(b) Trade Receivables Turnover- in days	**1.31**	1.92	32%	Refer note (ii)
[Average Trade Receivable / [Sales (Net of Discount)] (Net of Excise Duty)				
(c) Net capital Turnover- in days	**14.13**	23.17	39%	Refer note (ii)
[Average (Current Assets- (Current Liabilities-Current Borrowings)) / Sales (Net of Discount) (Net of Excise Duty)				
(d) Net profit Ratio (%)	**4.61%**	3.11%	48%	Refer Note (i)
[Profit after Tax/ (Revenue from Operations- Excise Duty))				
(e) Return on Capital Employed (%)	**43.08%**	19.30%	123%	Refer Note (i)
[EBIT/Average (Equity+Total borrowings + Deferred Tax Liabilities)]				
(f) Return on investment (%) - Equity investment in Joint venture	**2.89%**	8.69%	-67%	Refer Note (iii)
[Closing Value of Investment + Dividend during the year - (Opening Value of Investment + Additional Investment during the year) / Opening Value of Investment + (Additional Investment during the year - Dividend during the year)/2]				

Note:

(i) The profitability during the current year is significantly higher resulting from best ever physical performance coupled with robust margins with consequential improvement on the leverage position and profitability ratios.

(ii) Variation mainly on account of increase in Sales due to increase in products and also volatility in prices during the year.

(iii) Mainly due to receipt of higher dividend from our Joint venture, Indian Additives Limited.

About the Report

Greetings! Welcome to our First Integrated Annual Report!

It is our pleasure to present our first Integrated Annual Report. This report provides disclosures of the Company's financial and non-financial performance for the Financial Year 2022-23 and present a comprehensive overview of our organization's sustainability efforts and commitment to responsible business practices. We also provide insights into our environmental footprint, social initiatives, and governance practices. It highlights our progress, challenges and goals for the future, as we strive to create a positive impact on the world while delivering sustainable value to our stakeholders. Join us on this exciting journey as we embark on our ESG disclosure, demonstrating our dedication to transparency, accountability, and a more meaningful and sustainable future

Reporting Principles

This report aligns with the Integrated Reporting framework, Global Reporting Initiative (GRI) guidelines and the United Nations Sustainable Development Goals (UN-SDGs). The financial and statutory information contained in this report is in compliance with the requirements of The Companies Act, 2013, Indian Accounting Standards, the Secretarial Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines - including the Business Responsibility and Sustainability Reporting (BRSR) and other guidelines. We also present a holistic view of sustainability commitment and the progress achieved across various dimensions.

Scope and Boundary

The scope of this report focuses on CPCL's operational boundaries, which include refineries, product storage, business diversification (including production, gas, and petrochemicals) and Research & Development (R&D) activities within India.

Value creation by Six Capitals

In line with the principles of Integrated Reporting, this report highlights the performance of the six capitals that holistically contribute towards creating stakeholder value. The interplay of these six capitals bolsters the Company's growth in a responsible and sustainable manner. The report further sheds light on CPCL's ESG performance for the fiscal year 2022-23, the financial performance, environmental stewardship, social responsibility, and corporate governance practices of the company. The six IR capital references include:

Social and Relationship Capital

This capital focuses on the relation CPCL maintains with its external stakeholders, including suppliers, vendors, customers and local communities, amongst others in order to create shared value for all.

Natural Capital

This capital talks about CPCL's environmental priorities including energy, emissions, water consumption, waste management and the adaptation and mitigation mechanisms in place to protect the environment.

Intellectual Capital

This capital focuses on the Company's R&D efforts as well as strategic collaborations to innovate and design of path breaking technologies to drive CPCL's inclusive and holistic growth.

Human Capital

This capital covers the development and empowerment of CPCL's Human Resource who are critical to drive the company forward and deliver on its vision, missions, values and governing principles

Manufactured Capital

This capital details the Company's robust production assets and infrastructure that is critical to accelerate operational performance and business growth for long term value creation.

Financial Capital

This capital provides a high-level view of monetary resource allocation, financial resilience of the Company and the value generated in monetary terms for shareholders and investors.

Responsibility Statement and Forward-looking Statements

The data and metrics presented in the report have been carefully reviewed, validated, and verified to ensure reliability and provide meaningful insights into CPCL's ESG performance. The report incorporates information collected from various stakeholders, and it has been systematically organized and internally reviewed to enhance its accuracy and integrity. The report may contain certain statements about business activities which may be forward-looking statements. These statements are not intended to assure any future results, however, it represents Company's current expectations based on reasonable assumptions. We do not assume any obligation to publicly update on such forward-looking statements, whether due to new information, future events, or other circumstances.

Feedback:

We thank you for your keen interest in our first Integrated Annual Report and value your feedback. For any queries, please write to the undersigned:

Name: P. Shankar

Designation: Company Secretary

Email : shankarp@cpcl.co.in

Sustainability Highlights FY 2022-23

Financial Capital

CPCL focuses on shareholder value creation through 'Sustainable Business Growth', a strategy that places equal importance on the preservation of the social fabric and the planet, while reducing externalities and focuses on building competitiveness but in a manner that replenishes the environment and supports sustainable livelihoods.

The Company marked the highest ever Profit Before Tax of INR 4,809 Crore & Profit after tax INR 3534 Crore (163% YoY growth in PAT)

Contribution to Exchequer INR 17728 Crore (~ 20% of Gross Revenue)

CAPEX INR 638.18 Crore

Return on Equity 56.26%

Gross Revenue INR 90,801 Crore (50% YoY growth)

Debt Equity ratio improved from 3.31 to 0.67

Manufactured Capital

Stellar operating performance with focussed improvement on reliability coupled with feed optimization. This has enabled secondary units to surpass our previous best results. The company boasts production of a diverse range of petroleum products apart from speciality products that include paraffin wax, food-grade hexane, as well as high-end fuels used for applications such as cruise missiles and rocket propellants

Highest ever Crude throughput of 11.316 MMT

Highest ever Lube Oil Base Stock (LOBS) production / dispatch

New product initiative of production of Mineral Turpentine Oil

Successfully processed five new crudes including from Russia

Extensive reach of products from cottage to Rocket Industries

Successfully produced and supplied JP-7(Jet Fuel) to Defence Research and Development Organisation (DRDO)

Other new product initiatives pursued - Pharma Grade Hexane, Group II LOBS

Intellectual Capital

Developing compelling value propositions with greater agility and execution excellence in innovative products and adapting robust digitisation initiatives.

CPCL and DRDO/ISRO Partnership - JP-7 & Rocket Propellant Fuel -India's very first Missile Fuel – Advocating "*Make in India*" initiative and AatmaNirbhar Bharat.

Highest BS-VI grade fuel production facilitating lesser emissions

Highest usage of Regassified Liquefied Natural Gas (RLNG) with a focus on lower emission

Innovation focused company with several 'firsts' to its credit (For e.g., first ever desalination plant, Sewage Reclamation Plant, RO water use in refinery operation)

Human Capital

High performing work culture, talent nurturing practices and safety centric workplace create, foster and strengthen our people and help deliver high operational efficiency. Industry best benefits and several initiatives taken also provide employees with a sense of pride and belonging to the organization, i.e., contribute to creating an engaged workforce that helps us stay true to our vision and mission.

A strong equal opportunity employer with policies and practices that bring about Diversity, Equity, and Inclusion.

Lowest Employee attrition rate 0.34% (voluntary)

1,281 Accident free days

29,000 + training hours

1,153 Fire free days

Employee engagements including Idea Melas, Competency Mapping and Employee Satisfaction Surveys

Social and Relationship Capital

Extensive engagement with stakeholder groups, not only in the vicinity of our operating locations, but also in geographies that need our intervention (e.g., aspirational districts like Ramanathapuram) play an important role in ensuring that we create larger societal value.

- INR 6.04 Crore - CSR expenditure
- Actively involved in CSR activities covering healthcare, education, sports, promoting livelihood, Swachh Bharat Campaigns etc.
- Mobile Medical Units – Manali, Ramanathapuram and Nagapattinam
- 38.96% procurement directly from MSME's
- Adopted 5 villages in Nagapattinam for promoting livelihood and infrastructure
- Provided 6 PSA Oxygen plants to Government Medical Hospitals supporting over 15,000 patients during COVID 19 peak time.
- First BSI Certified ISO 21001:2018 - CPCL Polytechnic college in Tamil Nadu.

Natural Capital

Focus on business with conservation and restoration of natural resources across our value chain towards clean energy , recycled water , enhancing green cover and energy efficiency for sustainable business

- CPCL has been an early-adopter of renewable energy 1.25 MW of solar roof top and 17.6 MW wind mill plant installed.
- First in Asia to adopt desalination technology and Sewage Reclamation Plant in Oil Sector.
  No freshwater consumption in production process.
- Actively involved in tree plantation drives to improve the green cover.
- Energy Audit conducted and improvement areas identified are being acted upon.
- Achieved and surpassed energy efficiency targets, resulting in generation of 20,833 units of market tradeable energy savings certificates or 'ESCerts' under PAT Cycle –II and PAT Cycle –VI verification completed and provisionally 18000 ESCerts were alloted.

Value Creation Model

Inputs

Financial Capital
Debt to Equity Ratio:
0.67

Capex- INR
638.18 Crore

Manufactured Capital
1 Refinery – Manali, Chennai with R & D Facility

Intellectual Capital
R & D –
INR 9.72 Crore

No of personnel in R & D team – **10**

Digitalisation and Innovation

Human Capital
Employee Strength –
1,466

Diversity in workforce including Women and PwD.

29,000+
training hours

Access for Web based learning, Assistance for skill upgradation and continuing education.

Social and Relationship Capital
CSR expenditure -
₹ 6.04 Crore

38.96%
procurement directly from MSME's

Natural Capital
18.85 MW
capacity renewable energy (Solar + Wind) is in operation

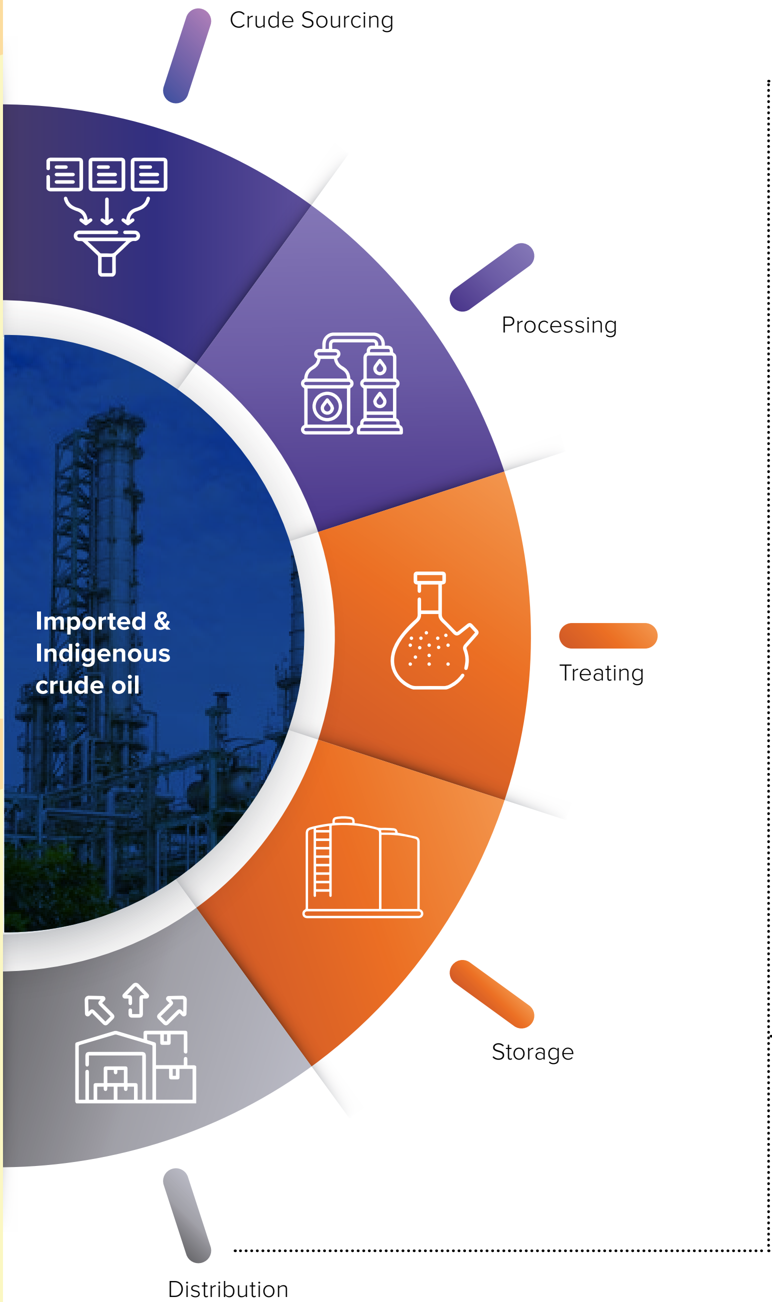
38,699 TJ
Energy consumed in FY 2022-23

5.8 MGD
Desalination Plant and
5.0 MGD
Sewage Reclamation Plant- used for Industrial purpose

Our Business process

Our Values
- Technology
- Safety
- Growth
- Respect for people
- Care for Environment

Our Focus
- Innovation
- Technology
- Environment
- People
- Customers
- Safety



Our Enablers

Integrated refinery to meet the country's growing energy need.	Comprehensive and skilled workforce.	Technology and Innovation	Strong Liquidity & Cashflow	Robust Corporate Governance

- LPG
- Naphtha
- Motor Spirit
- ATF
- Superior Kerosene
- High Speed Diesel
- Lube Oil Base Stocks
- Fuel Oil
- Bitumen

Marketing by IOCL (92%)

High End Fuels

Navy grade Fuel: High Flash Diesel.

Rocket Propellant Fuel

Fuel for Hypersonic

Long range cruise missiles

Direct Marketing by CPCL (8%)

- Propylene
- Hexane
- LAB Feed stock
- Mineral Turpentine Oil
- Petrochemical feedstock
  - PBFS
  - LPBFS
  - MEKFS
  - Butene
- Paraffin Wax
- Petcoke

Sulphur

Outcome

- Highest Profit before tax – INR **4,809 Crore**
- Highest Profit after tax – **INR 3,534 Crore**
- EBIDTA - **INR 5,712 Crore**
- Improved Debt to Equity Ratio
- Contribution to Exchequer INR 17728 Crore (~ 20% of Gross Revenue)

- Highest ever Crude thruput of **11.316 MMT**
- Highest ever Lube Oil Base Stock (LOBS) production /dispatch
- Delivering diversified products
- Achieving Operational Eco-Efficiency.
- New Product Initiatives

- Innovations owned by organization with several 'firsts' to its credit.
- Three new product initiatives in last financial year
- 8 patents awarded so far

- **100%** permanent workforce
- **79%** satisfaction score in Employee Satisfaction Survey
- **1,281** Accident-free days
- **I,153** Fire free days
- Lowest Employee attrition rate **0.34%** (voluntary)

- **270 %** Dividend
- **70,900+** CSR Beneficiaries
- **500+** students benefitted from CPCL Polytechnic College
- **15,000 +** patients benefitted from PSA plants during COVID 19 peak time.
- Contribution to Tamil Nadu Government for planting 1 million trees- Green Tamil Nadu Mission.
- Adoption of 5 villages in Nagapattinam for enhancing the livelihood

---

- Freshwater dependency for Process Units: Nil
- Energy Intensity/₹ Cr. Turnover reduced by **25%** in FY 2022-23
- **14,516** SRFT reduction achieved as Energy savings in 2022-23
- All waste generated have been responsibly handled
- Achieved and surpassed energy efficiency targets, resulting in generation of **20,833** units of market tradeable energy savings certificates or 'ESCerts' under PAT Cycle –II and PAT Cycle –VI verification completed and provisionally 18000 ESCerts were alloted.
- **14,200** lights changed to energy saving LED Lights

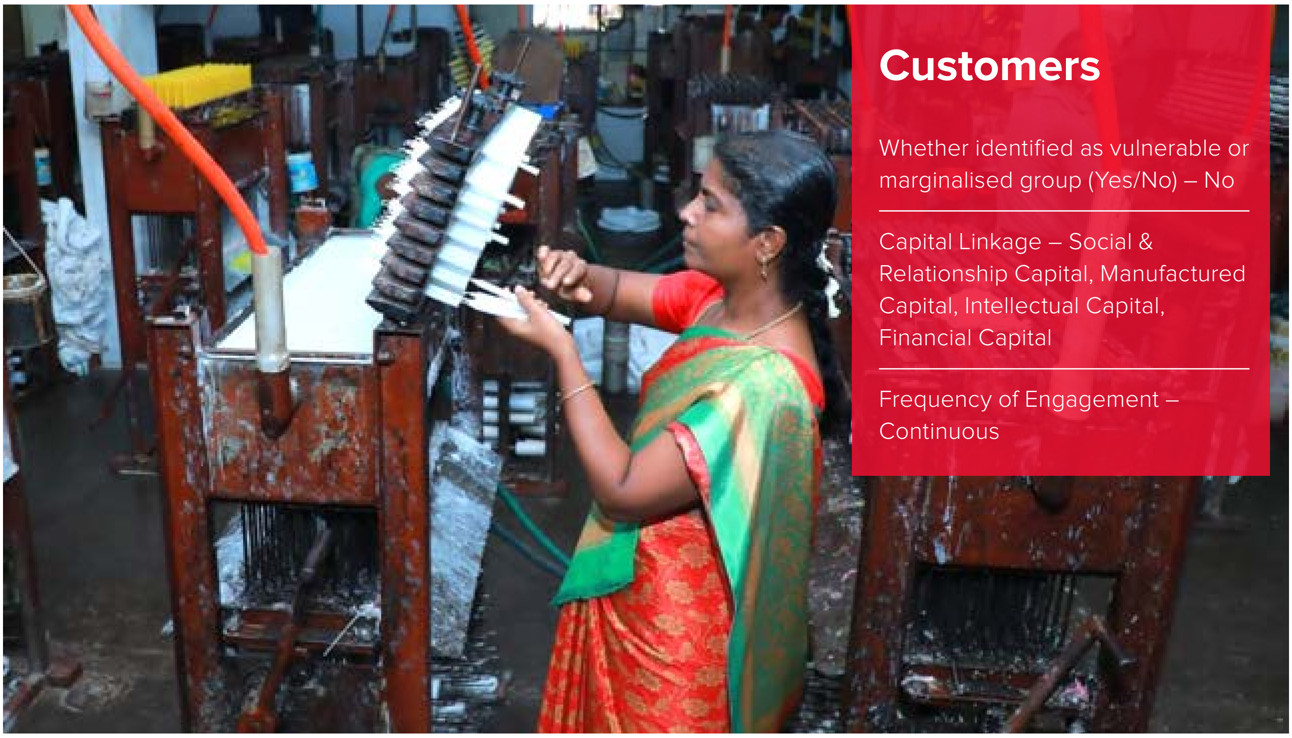
SDGs

- 8
- 9, 11, 13
- 7, 13, 6, 9
- 3, 10, 4, 8, 5
- 1, 3, 4, 2, 10, 6
- 13, 6, 3, 7

Stakeholder Engagement

At CPCL, we recognize that effective stakeholder engagement is crucial for our operations and sustained growth. Engaging with our stakeholders allows us to understand their diverse perspectives, address their concerns, and build strong relationships based on trust and collaboration. By actively involving stakeholders in our decision-making processes, we enhance our business practices, ensure transparency, and create shared value. Through this section, we highlight the importance of engaging with key stakeholders and showcase our commitment to fostering meaningful partnerships that contribute to creating sustained value.

Through a thorough analysis of the different touch-points of our business with the external world, a stakeholder mapping exercise was conducted to help us identify our key stakeholders. These include shareholders, employees, customers, suppliers, local communities, regulators, and environmental organizations. There is also increasing realization that businesses take into account the physical environment in which we operate, as an important stakeholder, for all businesses draw resource inputs from the environment. We understand that each stakeholder group has unique interests, concerns, and expectations, which are to be addressed effectively. We employ tailored engagement strategies that utilize various channels and approaches for awareness, communication, feedback and long-term relationship. The table below outlines the key attributes of our stakeholder engagements.



Customers

Whether identified as vulnerable or marginalised group (Yes/No) – No

Capital Linkage – Social & Relationship Capital, Manufactured Capital, Intellectual Capital, Financial Capital

Frequency of Engagement – Continuous

Corporate Overview
Statutory Report
Financial Statement

Why they are important

Although we are not in the business of retailing directly, we are dedicated to maximizing reliable supply of quality fuels to the public and meet the downstream feedstock requirements of our B2B customers. Given the range of our products, our consumers range from cottage industries to aviation and defence sectors.

Communication Channels

- Direct meetings and conferences
- Online portals for product inquiries
- Periodic and regular customer meets

Purpose and scope of engagement

- Understand their specific needs and requirements for downstream petrochemical products
- Maintaining strong customer relationships
- Meeting stringent product quality specifications/norms
- Addressing key concerns raised by B2B customers on product quality, reliability of supply and pricing
- Assessing marketing and promotional initiatives

Suppliers, Contractors & Service Provides

Whether identified as vulnerable or marginalised group (Yes/No) – No

Capital Linkage – Social & Relationship Capital, Manufactured Capital, Intellectual Capital

Frequency of Engagement – Continuous

Why they are important

Our suppliers, contractors, and service providers play a crucial role by providing necessary goods, services, and expertise to support our operations. These could be one time or ongoing engagements

Communication Channels

- Pre-bid conference
- Supplier/vendor management systems
- Email correspondence
- Periodic supplier meetings and conferences
- Vendors meet, MSME meet, AKAM CPCL stall

Purpose and scope of engagement

- Establish and maintain strong working relationships
- Ensure reliable and timely delivery of goods and services
- Address any concerns related to quality, pricing, or contractual obligations
- Ensuring business continuity
- Transparency in tendering process
- Fair and accountable transactions
- Ensuring safety practices
- Timely payments
- Preference to local suppliers/MSME

Communities

Whether identified as vulnerable or marginalised group (Yes/No) – Yes

Capital Linkage – Social & Relationship Capital

Frequency of Engagement – Case to case basis

Why they are important

Communities are important stakeholders as they can be directly affected by our operations and have a significant interest in the company's environmental and social impacts, including employment opportunities, health and safety, and community development.

Communication Channels

- Public meetings, community consultations for CSR interventions
- Public Grievance redressal mechanisms
- Participating in collaborative activities with NGOs

Purpose and scope of engagement

- Build trust and establish a positive relationship
- Understand the social & development challenges / needs of the local communities
- Address concerns related to environmental impacts, health and safety measures, employment opportunities, and community development initiatives
- Supporting the local economies and livelihood opportunities

Corporate Overview
Statutory Report
Financial Statement

Shareholders

Whether identified as vulnerable or marginalised group (Yes/No) – No

Capital Linkage – Social & Relationship Capital, Financial Capital

Frequency of Engagement – Quarterly/ Event based

Why they are important

Our valued shareholders provide us with financial resources needed to carry out our business. Our shareholders are vital as they hold ownership in CPCL and have a financial interest in our performance, profitability, and long-term sustainability.

Communication Channels

- Investor and Analyst meets
- Annual general meetings
- Investor conferences, and regular financial reports.
- Corporate website
- Press releases/press conference

Purpose and scope of engagement

- Communicating our business, financial and ESG performance
- Transparency in corporate governance
- Risk Management
- Understanding shareholder expectations
- Addressing concerns on capital allocation decisions, return on investments, etc

Employees

Whether identified as vulnerable or marginalised group (Yes/No) – No

Capital Linkage – Human Capital

Frequency of Engagement – Continous

Why they are important

Employees are critical to our operations, productivity, and overall success. They share the company's vision, mission and values and contribute their skills and expertise to drive the company's performance.

Communication Channels

- Internal company communications
- Employee Web portal -E-Serve in Intranet
- Corporate Mail
- Team meetings
- Regular bilateral meetings with employee unions and associations
- Performance appraisals,
- Employee surveys
- Women Cell
- Welfare Associations such as CPCL recreation Club (CPRC)

Purpose and scope of engagement

- Foster a positive work environment
- Performance and Career development reviews
- Training and Development
- Reward & Recognition
- Work-life balance
- Respect & trust
- Address employee concerns, feedback and expectations
- Promote employee well-being and safety
- Aligning our visions and goals

Government and Regulatory bodies

Whether identified as vulnerable or marginalised group (Yes/No) – No

Capital Linkage – Social & Relationship Capital

Frequency of Engagement – Continuous

Why they are important

CPCL is a Central Public Sector Undertaking and IndianOil, our parent company) is our largest shareholder. The Government and relevant Regulatory bodies shape the laws, policies, and practices that impact our operations.

Communication Channels

- Regulatory reporting,
- Structured meetings with representatives of the Ministry of Petroleum & Natural Gas , DPE , OISD , OIDB, CHT, IOCL etc.,
- Meetings with the Central and State Pollution Control Boards, MoEF&CC
- Public consultations.
- Pre Budget Proposals for Direct / Indirect tax

Purpose and scope of engagement

- Compliance with applicable Acts, Rules and Regulations
- Engage on various regulatory and national and regional policy issues
- Policy Advocacy
- Provide necessary information and data, and address concerns related to legal obligations

Materiality Assessment

During the reporting year, CPCL conducted a materiality assessment exercise as part of its efforts to enhance stakeholder relationships and gain a better understanding of their expectations. The assessment was carried out following extensive consultations with the senior leadership team and included gathering input from various stakeholders such as employees, vendors, investors, customers, and representatives from the community. This input was obtained through a materiality survey, which aimed to capture the perspectives and concerns of these key stakeholders.

Our Approach

Universe of Issues
A compilation of sectoral and corporate priorities

Stakeholder Engagement
Stakeholder Identification and collection of responses using surveys and interactions

Business and Risk Mapping
Co-relating the business and risks to the material issues

Generating Materiality Matrix
Detailed study to generate Materiality Matrix

The material aspects discovered were further prioritised based on their importance to CPCL and relevant stakeholders, as determined during interactions with them. This thorough assessment enabled us to map out and rank eight material issues across the three dimensions of environmental, social, and corporate governance that are essential to our organisational value creation to all stakeholders. Using the materiality matrix shown below, we compare the relative importance of several subjects.

Environmental

- Climate Change Risk Mitigation
- Energy Efficiency and Management
- Air Quality Management
- Water Resource Management
- Clean Technology Initiatives
- Waste Management
- Ecological Impact, Biodiversity and Land Use
- Life Cycle Management
- Sustainable Supply Chain Management

Social

- Local Employment
- Upholding Human Rights in operations
- Promotion of Equity, Diversity and Inclusion
- Employee training & development
- Occupational Health & Safety
- Holistic Employee Wellbeing
- Stakeholder Engagement
- Enhancing process safety
- Disaster Management and Preparedness

Governance

- Customer Satisfaction
- Innovation & Technology
- Regulatory Compliance
- Product Quality
- Corporate Governance
- Risk Management
- Business Ethics

IMPORTANCE TO STAKEHOLDERS AND CPCL

High

- Climate Change Risk Management
- Occupational Health & Safety
- Energy Efficiency Management
- Employee Training and Development
- Air Quality Management
- Regulatory Compliance
- Water Resource Management
- Product Quality

Medium

- Clean Technology Initiatives
- Disaster Management and Preparedness
- Waste Management
- Customer Satisfaction
- Ecological Impact Biodiversity & Land use
- Innovation & Technology
- Holistic Employee Well-being
- Corporate Governance
- Stakeholder Engagement
- Risk Management
- Enhancing Process Safety
- Business Ethics

Low

- Lifecycle Management
- Local Employement
- Sustainable Supply Chain Management
- Upholding Human Rights in Operations
- Promotion of Diversty and Inclusion

Environmental | Social | Governance

Key Initiatives

Air Quality Management

- BS VI compliant fuel being distributed by the state of the art refinery
- Lowering emissions
- Expanding the use of sustainable energy sources such as RLNG

Climate Change Risk Mitigation

- Observing all air, water, green-belt, and other environmental regulations and protocols
- Enhancing operational efficiency and product quality continuously
- Adopting sustainable technologies for reducing Scope 1 & 2 emissions

Employee Training and Development

- CPCL's learning and development activities are supported by a cloud-based software platform that includes eLearning programmes
- Trainings in technical and behavioural skill advancement to broaden employees' skill sets
- RESOT has been refurbished and expert outside faculty engaged for training
- To cater the holistic wellbeing of the employees, CPCL organizes regular health check-ups, stress management sessions and yoga sessions

Energy Efficiency Management

- Mandatory Energy Audits are carried out at the refinery to identify areas of energy conservation
- Achieved Quartile - 2 in Energy Intensity Index as per Solomon Benchmark Study 2022
- ENCON measures are adopted to achieve energy reduction
- Naphtha is being replaced by re-gassified liquified natural gas (RLNG) as feedstock/ fuel for hydrogen reformers, gas turbines, utility boilers and process heaters

Occupational Health & Safety

- External safety audits are executed
- Safety training and awareness programmes are conducted periodically
- Conducting HAZOP (Hazard & Operability) Studies

Product Quality

- By consistent training and instruction, QC's ability and competency is being improved on sustainable basis
- The QC department verifies final goods for BIS compliance and makes sure that products and streams generated are in accordance with quality standards
- Quality and quantity optimisation for dispatch

Regulatory Compliance

- Compliance with various regulatory authority's norms and regulations
- Centralised Public Grievance Redress and Monitoring System implementation

Water Resource Management

- Zero dependency on fresh water through pioneering initiatives
- Production of desalinated sea waterand utilising SRP treated water
- Higher quantity of recycled water

Financial Capital

Managing our Financial Capital

Our robust financial management process involves assessing fund requirements, strategically allocating financial resources towards value-accretive opportunities, and driving future growth. This approach is designed to generate long-term value for our stakeholders, including our esteemed customers, investors, employees, and the communities within which we operate.

8 DECENT WORK AND ECONOMIC GROWTH

We are pleased to report that our efficient and effective financial management has yielded note-worthy results this year, including highest ever revenue and profit after tax. These achievements align with our core ethos of creating wealth for our supportive shareholders, maximizing relevant growth avenues, and positioning ourselves to leverage capacity expansion projects and other strategic initiatives.

Key Highlights

50% YoY growth in **Revenue** from operations

163% YoY growth in **PAT**

Improved **Debt to Equity Ratio**

Market Capitalization of **₹ 3,537 Crore**

Rated AAA by CRISIL and ICRA

Highest ever **Dividend** declared **270 %**

Key Focus areas

- **Productivity and Profitability**
- **Capital Allocation**
- **Shareholder value creation**

Financial Capital impact on other Capitals

Manufactured Capital

- Investment in infrastructure including new refining facility, technology upgrades, pipeline infrastructure etc.
- Investments to deliver diversified capabilities that create speciality products.

Intellectual Capital

- Investing in Innovation and Digitization in creating new initiatives.

Human Capital

- Investment in Employee Recruitment, Talent Management, Employee Engagement, Employee Benefits
- Investing in digitalisation of HR initiatives.

Social & Relationship Capital

- Catering to the needs of community through CSR initiatives in healthcare, education, Sports, Swachh Bharat Campaigns.
- CPCL Polytechnic College for creating a future talent pipeline.
- Procurement of supplies from Local MSME's above the GoI mandate of 25%

Natural Capital

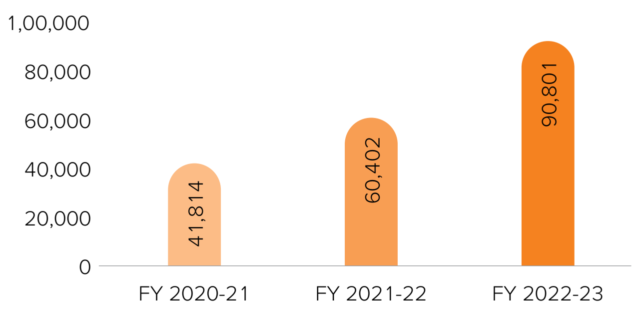
- Transitioning to renewable energy, Implementing water stewardship initiative and adopting measures to reduce the carbon footprint
- Investment in implementing energy efficiency initiatives.

Fuelling Growth

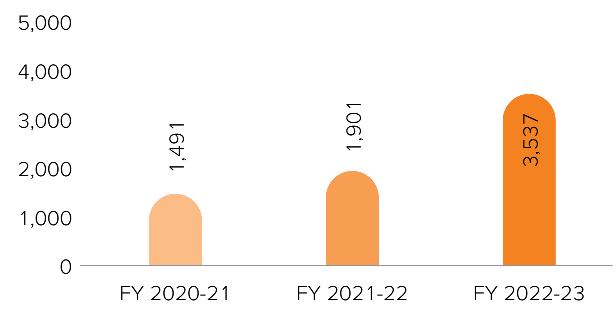
The significant financial growth achieved this year can be attributed to our operating performance. During the year, we focused on enhancing saftey and reliability and optimizing feed, thus enabling our units to operate at their utmost effectiveness and efficiency. Our crude throughput of 11.316 MMT, the highest volume we have processed in a year till date, stands as a testimony to our efforts in maximising our operational potential and fuelling value led growth. Additionally, we also benefited from robust margins in the international market during the fiscal year, contributing to an overall favourable trend in our financial performance.

Details of our financial performance in recent years have been presented below:

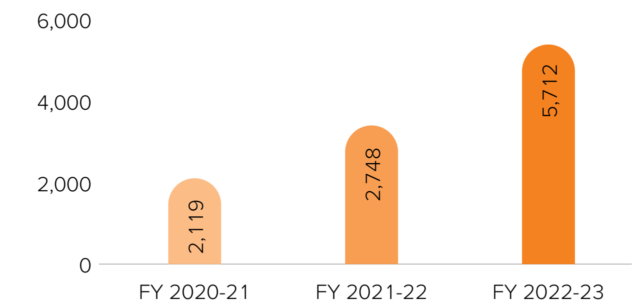
Revenue from Operations (in ₹ Crore)



Market Capitalization (in ₹ Crore)



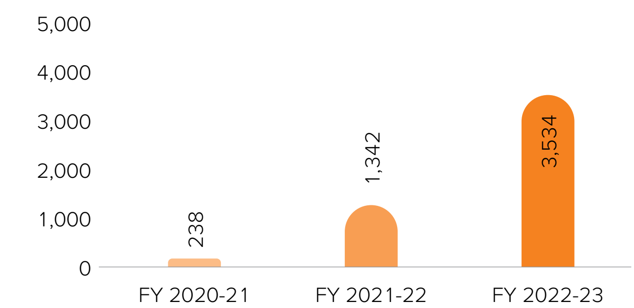
EBIDTA (in ₹ Crore)



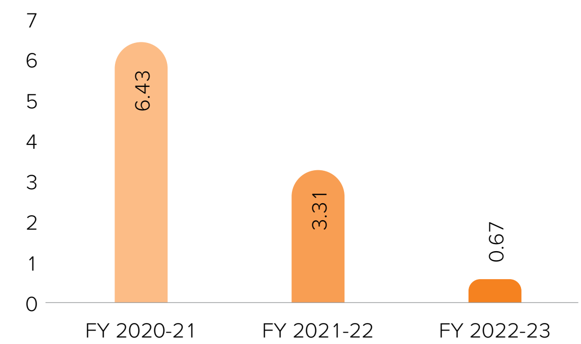
Our Prudent Financial Management

Our commitment to sustainable growth and financial prudence is exemplified by the substantial reduction in the debt-to-equity ratio and borrowings when compared to previous years. These achievements highlight our focus on maintaining a strong financial position and optimizing our capital structure, contributing to the overall stability and long-term sustainability of the company.

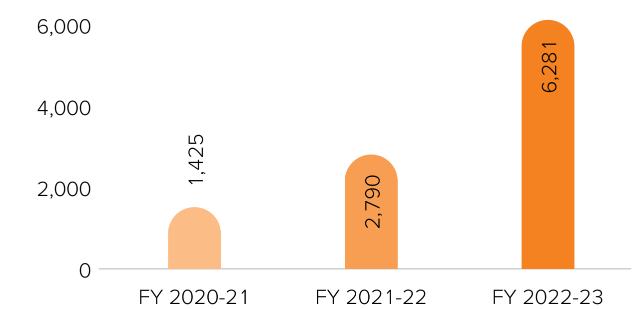
PAT (in ₹ Crore)



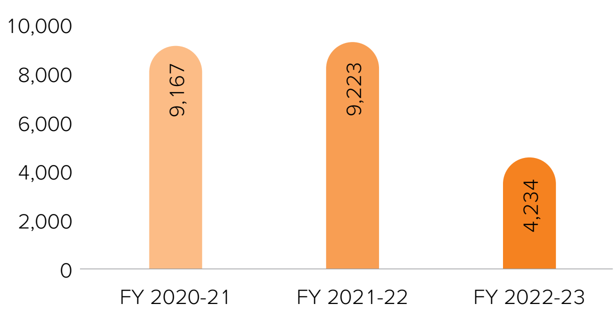
Debt-to-Equity Ratio



Net Worth (in ₹ Crore)



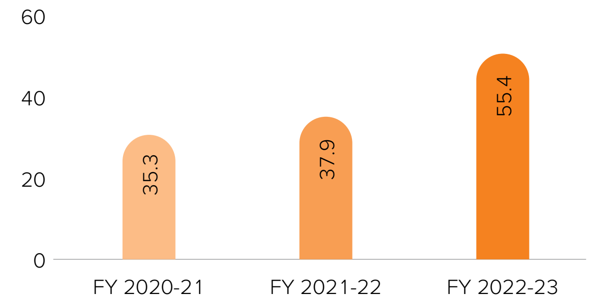
Borrowing (in ₹ Crore)



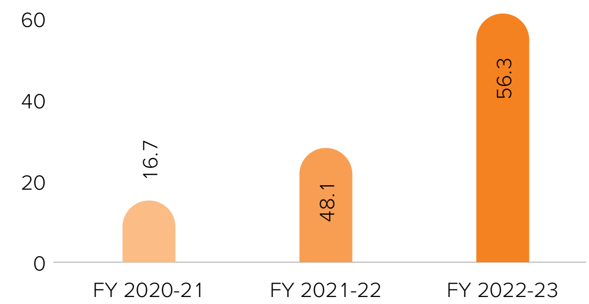
Creating Financial Value

Our effective capital management has allowed us to generate substantial returns for our shareholders and maintain sustained value creation.

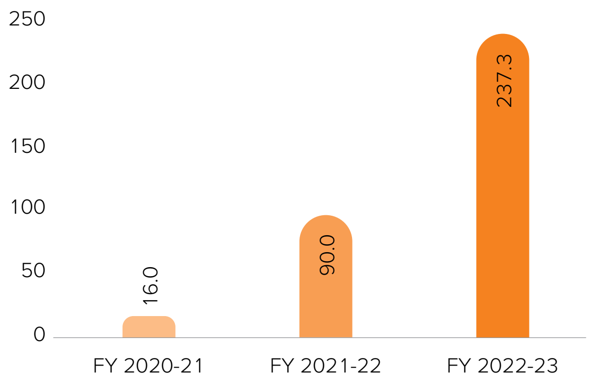
ROCE (in %)



ROE (in %)



EPS (in ₹)



Our Long-Term Credit Rating from CRISIL/ICRA continues to be AAA/Stable which stands as testimony to our dominant position in the Refining Industry with robust liquidity position on the back of a healthy Balance Sheet. During the year, we continued to maintain comfortable liquidity position on the back of stellar operating performance and access to banking credit facilities to maintain sustainable cash flow.

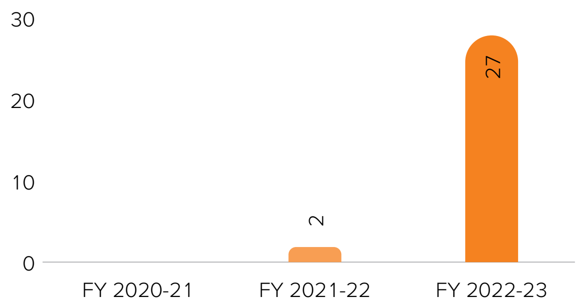
Value Distributed

We generate and allocate value across various components of our operations strategically. Our Dividend Allocation Policy governs how we distribute value to our shareholders, in return for their continued support to the company. We strive to distribute value such that we can meet our organisation's short- and long-term needs, provide best in class benefits to our employees, meet regulatory requirements, fund future growth, and reward our valued shareholders - all the while working towards our overarching organisation goals.

The comprehensive overview of our Value distribution is presented below:

Further, in line with our ethos to create wealth for our valued shareholders, we announced a dividend of ₹ 27/share in FY 2022-23. This is a significant increase over the previous year, reflecting our commitment to sharing the company's success with our shareholders.

Dividend per equity share (in ₹)



Manufactured Capital

Introduction to our Manufactured Capital

At CPCL, we understand that we play a crucial role in meeting the energy needs of the country. To this end, it is imperative that we manage and operate the state-of-the-art capital assets that form the core of our manufactured capital efficiently. These assets enable the efficient production, distribution, and utilization of energy resources while minimizing environmental impact and maximizing sustainability. With a firm commitment of delivering reliable and sustainable energy solutions, we are continuously striving to maximize the value derived from these assets.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

Highlights for the FY 22-23

2,35,000 barrels of crude Refinfing Capacity per day

1 Refinery in operation, 1 Refinery under construction in JV mode

New Product Initiatives – Mineral Turpentine oil, LSHS Premium, Pharma Grade Hexane, Group II LOBS

Highest ever Production and Despatch

Extensive reach of product – From cottage to rocket industries

Highlights

- Refining – Manali
- Operational Performance
- CPCL-From Cottage to Rocket Industries

Manufactured Capital impact on other Capitals

Financial Capital

- Enhancing revenue and net profit by augmenting the production capabilities.

Intellectual Capital

- Developing cutting-edge research and development (R&D) for improving the capacity for research and driving innovation within an organization.

Human Capital

- Assuring a safe, healthy and satisfied workplace for all the employees.
- Identifying the potential of employees and thereby providing a platform to implement their innovation.

Social & Relationship Capital

- Identifying suppliers from marginalized section of the society. Targeting to improve the supply from SC/ST group, Local MSME's and Women owned MSME's to intensify sustainable sourcing and boost small entrepreneur.
- Keeping all the stakeholders informed on the new product initiatives from the company.
- Reaching all spheres of society through product manufacturing (from cottage to rocket industries)

Natural Capital

- Diminishing the adverse environmental concerns by optimizing feedstock/fuel to reduce the carbon footprint.

Refining

With a refining capacity of around 2,35,000 barrels of crude per day, our 10.5 MMTPA Manali refinery is an integrated refinery fulfilling the energy requirements of our country, especially significant portions of Tamil Nadu and South India.

The Manali refinery is a complex establishment with three Crude Distillation Units (CDU/VDUs), Hydrogen Generation Units (HGUs), Hydro-Cracker unit (HCU), Fluid Catalytic Cracking unit (FCCU), Continuous Catalytic Reforming unit (CCRU), Isomerisation unit, Delayed Coker Unit (DCU), Diesel Hydro De-sulphurisation unit (DHDS), Diesel Hydro-treating unit (DHDT), NMP Extraction unit & MEK Dewaxing units, Wax Deoiling & Hydrofinishing units, Propylene and Petrochemical feedstock units. The refinery has fuel, lube, wax & petrochemical feedstocks production facilities.

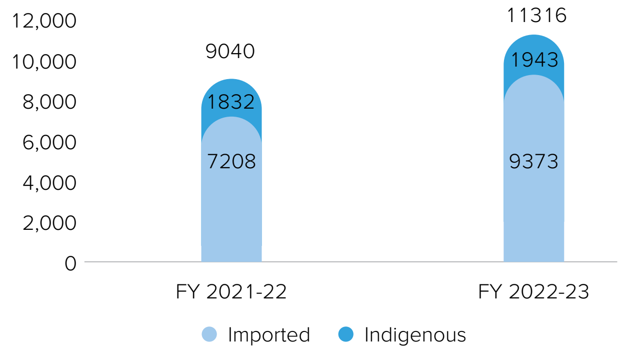
Highlights: FY 22-23

11.316 MMT
Throughput

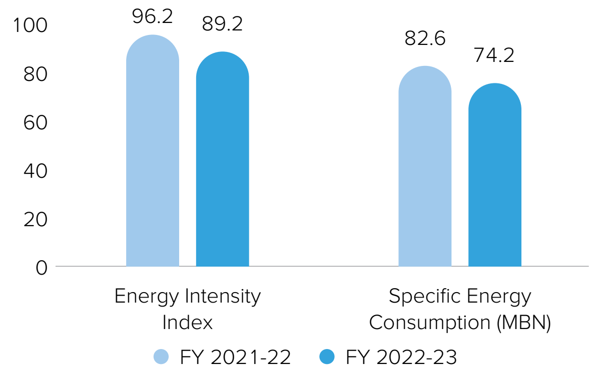
10.5 MMTPA
Refinery Capacity

Our Record-Breaking Performance

Crude Oil Throughput in TMT

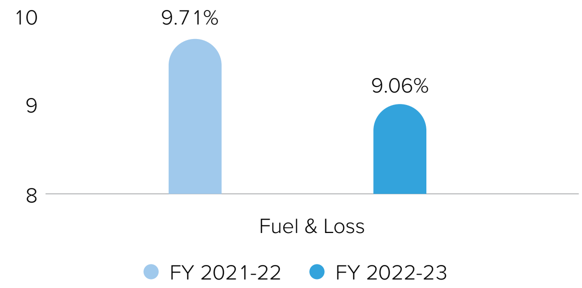


Performance Indicators (Lower is better)



Operational Performance

In FY 2022-23, CPCL took a giant leap and achieved a throughput of 11.316 MMT, surpassing the previous best of 10.289 MMTPA in 2017-18. The distillate yield achieved for 2022-23 was 76.0%, compared to 74.9% in 2021-22. The operational availability during the year was 98.9%. Furthermore, we also achieved significant reduction in Energy Intensity, Specific Energy consumption and fuel &loss.



Physical Performance

- **Crude** 11,316 TMT — Previous best 10,289 TMT (2017-18)
- **OHCU** 2,372 TMT — Previous best 2,307 TMT (2019-20)
- **DCU** 1975 TMT — Previous best 1,405 TMT (2019-20)
- **RLNG** 270 TMT

Production

- **Hexane** 28.4 TMT — Previous best 26.7 TMT (2021-22)
- **Naphtha** 976 TMT — Previous best 815 TMT (2019-20)
- **MS** 1142 TMT — Previous best 1107 TMT (2017-18)
- **ATF** 1042 TMT — Previous best 1016 TMT (2019-20)
- **HSD** 5041 TMT — Previous best 4677 TMT (2018-19)
- **Petcoke** 539 TMT — Previous best 414 TMT (2019-20)
- **Sulphur** 129 TMT — Previous best 99 TMT (2019-20)
- **MTO** 31.4 TMT — Previous best 8.1 TMT (2021-22)

Products Despatch

- **Hexane** 27.9 TMT — Previous best 26.7TMT (2021-22)
- **Naphtha** 1015 TMT — Previous best 856 TMT (2019-20)
- **MS** 1150 TMT — Previous best 1121 TMT (2016-17)
- **ATF** 1023 TMT — Previous best 996 TMT (2019-20)
- **HSD** 5065 TMT — Previous best 4404 TMT (2018-19)
- **Petcoke** 562 TMT — Previous best 409 TMT (2019-20)
- **Sulphur** 125 TMT — Previous best 99 TMT (2019-20)
- **MTO** 31.4 TMT — Previous best 8.1 TMT (2021-22)

Fuel based products and Speciality products


LPG


Hexane


Naphtha


Motor Spirit

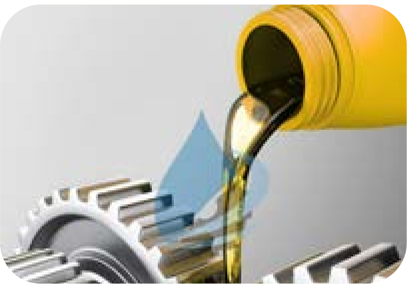

Diesel


JP 7 Fuel Equivalent


ATF


Superior Kerosene Oil


MTO


Lube Oil Base Stocks


Fuel Oil


Wax


Bitumen


Petcoke

We have also commenced the supply of Diesel to Sri Lanka, in line with GoI's initiative towards regional cooperation with our neighbouring nations. A maiden cargo of 40 TMT of Diesel was despatched to Ceylon Petroleum Corporation Limited (CEYPETCO), Sri Lanka, in 2022-23.

CPCL Manali refinery complies with the government directives and has been producing BS-VI grade petrol and diesel fuels since December 2019. Our constant upgradation of the quality of our fuels and other products shows the importance accorded towards meeting expectations of all stakeholders for sustained value creation.

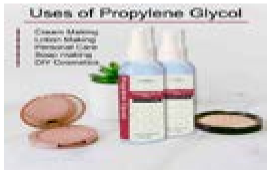
Speciality Products:

CPCL manufactures five grades of Group-I High Viscosity Index (HVI) Lube Oil Base Stock and two grades of Extracts (500N and BN). Further, CPCL also produces paraffin Wax and other products that act as feedstock to neighbouring Petrochemical Industry in and around Manali.

We supply Petrochemical feed stocks like Propylene and Butene, Isobutylene and Superior Kerosene for the manufacture of Propylene Glycol, MEK, PIB and LAB (Detergent).

CPCL as Mother Industry

Product: Propylene Glycol & Polyols



Product: Methyl Ethyl Ketone (MEK)

Product: Poly Iso-Butylene (PIB)

MPL
Feed: 40 KTPA Propylene

CETEX
Feed: 45 KTPA Butene (*)

KOTHARI PETROCHEM
Feed : 18 KTPA Iso-Butylene

TAMIL NADU PETRO PRODUCTS
Feed: 90 KTPA N-Paraffin

LUBE OIL BASE STOCK
Feed: VGO Cut

Product: Linear Alkyl Benzene (LAB)

Product (KTPA): Group-I Lube Oil (220) + Wax (24) + Group-II (256) (under approval)

Our new Product Initiatives:

Mineral Turpentine Oil

Pharma Grade Hexane

Group–II LOBS

Pharma Grade Hexane Production at Manali Refinery

We envisage production of Pharma Grade Hexane in the Isomerisation Unit. Basic Design Engineering Package (BDEP) has been completed and the EPCM contract has been awarded for proceeding with project implementation. The goal of the revamp is to replace existing conventional column internals with Divided Wall Column (DWC) Trays and internals followed by Benzene saturation reactor for production of 35000 MTPA Pharma Grade Hexane. The estimated cost of the project is around Rs.70 Crore and is expected to be completed in FY 2023-24.

Mineral Turpentine Oil

Our high margin yielding product – Mineral Turpentine Oil (MTO) is primarily utilised as a raw material in paints and varnishes. MTO is additionally utilised in dry cleaning along with various types of industrial cleaning.

Our Upcoming Refinery - Cauvery Basin Refinery and Petrochemicals Limited in a JV mode (9MMTPA)

We are in the process of constructing our second refinery in collaboration with IOCL and other strategic partners, in Nagapattinam (Tamil Nadu). Over a land area of 1,300 Acres is needed for the establishment of our CBR refinery. Petrol and Diesel of Bharat Stage-VI specifications and Polypropylene as a value-added product are key products envisaged to be produced from the refining process. The projected cost of the project is ₹31,580 Crore (+/- 10 %), excluding BOO/BOOT (Build Own and Operate) Infrasructure facilities. Presently the site grading, construction power & construction water works are gathering momentum at site. In addition to the existing 618 acres of land, acquisition of a further 606 acres from Government of Tamil Nadu is close to being finalized

Group II/III LOBS Project at Manali Refinery

On a quest to diversify our product base, reduce the dependency on lube base oil imports and to accustom ourselves to the growing demand for Group II/III LOBS in India, CPCL intends to foray into production of Group II/III LOBS. We have conducted substantiative studies on the production process which require availability of high-pressure hydro-treated Vacuum Gas Oil and installation of new Catalytic Dewaxing Unit (CDWU). A new Catalytic Dewaxing Unit along with associated units will be installed to produce Group II/III LOBS up to 256KTPA.

Group-II/III LOBS products are proposed to be dispatched to the upcoming IOCL Integrated Lube Blending Complex, Amullavoyal which is in the proximity of our Manali refinery. As a part of Pre-project activities, preparation of Basic Design Engineering Package for process units is completed and environment clearance for the project is also expected shortly.

Furthering the AatmaNirbhar Bharat agenda of the Government of India, this project is eco-friendly, with lower sulphur emissions. It is techno commercially attractive and the financial appraisal of the project has also been done.

Detailed Feasibility Report (DFR) has been completed. The project is actively under advanced stages of consideration.

Marketing

Highlights for the year 22-23

CPCL markets its products substantially through IndianOil Corporation Limited, our parent company

Direct sale of products* accounts for the remaining **8%** of our sales; this recorded an increase of about **44 %**, from **631** TMT in 2021-2022 to **907** TMT during 2022-2023.

***Note:** Some of the specialty products from Manali Refinery that are directly marketed include: Paraffin Wax, Mineral Turpentine oil, Propylene, Hexane, Linear Alkyl Benzene (LAB) feed stock, Pet coke, Sulphur and other Petrochemical Feed stocks.

Intellectual Capital

Introduction

At CPCL, we are proud to be recognized as one of the most innovative fuel producers, powering the nation by supplying fuels for a variety of strategic applications, starting from grass-root levels to high-tech and defence industries.

Constant innovation, research, and development are crucial for an organization's sustained growth and success. By fostering and developing intellectual capital, we are creating a strong foundation for continued excellence. We have been the flagbearer in the industry in terms of technology adoption, incorporating advanced technology and innovative approaches in our operations that have helped us improve efficiencies, reduce costs and enhance product quality. This has helped CPCL continue to remain competitive in the market and adapt to changing customer demands and industry trends.

Key Highlights

INR 638 Crore in CAPEX expenditure

INR 9.72 Crore in R & D Expenditure

8 patents
awarded till date

JP 7 Missile
Fuel Equivalent

Highest usage of **Regasified Liquefied Natural Gas** (RLNG) with a focus on lower emission

BS-VI grade fuel

Intellectual Capital impact on other Capitals

Financial Capital

- Increased revenue from innovative products.
- Constantly identifying efficient means to deliver quality product using cost effective methods.

Manufactured Capital

- The very strong R & D wing is constantly engaged in developing innovative ideas.
- In collaboration with DRDO, CPCL developed the first ever indigenous rocket fuel.
- Diversified product portfolio.
- Achieving record breaking production and despatch in FY 2022-23.

Human Capital

- Constantly involved in skill upgradation and learning and development programs to enable employee growth.
- Participated in Idea melas conducted by parent company IOCL to explore the innovative minds of the employees.
- Suggestion schemes to enhance Profitability & Energy efficiency

Social & Relationship Capital

- CPCL povided PSA plants to meet the oxygen demand during COVID 19
- As an AatmaNirbhar Bharat initiative, CPCL supplied first ever indigenous rocket fuel, achieving national self reliance through import substitution.

Natural Capital

- Initiatives towards sustainability undertaken by the company are ‘first ever’ in the industry. CPCL is making continuous strides in water and energy stewardship, setting an example for the industry to follow.

CPCL's many 'Firsts' in the Industry in India

- 1st PSU to install windmill farm to power Refinery operations
- 1st PSU Refinery to Sell and Purchase Power through IEX Exchange
- 1st to produce rocket propellant fuel & Missile Fuel (JP-7 equivalent)
- 1st Refinery (CBR) with combined crude & gas processing
- 1st to convert SR to continuous catalytic reformer
- Asia’s 1st sewage reclamation plant

Research and Development

Way Forward with sustainable R&D

- In line with CPCL's corporate objective to remain in the technological forefront in all aspects of the company's operation, CPCL R&D centre was established in July 1984. A modest beginning was made in the year 1986 by establishing facilities such as TBP distillation unit, FCC pilot plant and a petroleum testing laboratory. Subsequently various pilot plants and sophisticated petroleum testing and analytical laboratories were set up for R&D Research activities.
- R&D promotes indigenous technologies in collaboration with renowned research laboratories and academia to develop new value-added products, new processes and to improve the quality of our existing petroleum process / products.
- R&D also provides technical support for optimization and troubleshooting of various process unit operations.

Achievements & Recognitions:

- CPCL in collaboration with IIP, Dehradun and EIL has developed a technology for Lube Extraction which has been commercialized at IOC Haldia Refinery in its 0.35 MTPA Lube Plant. In recognition of this achievement, CPCL has won "The Technology Award of CSIR".
- CPCL in collaboration with CSMCRI developed R.O membranes for water treatment. A demonstration unit of 1 Million Litres per Day capacity R.O unit with indigenously developed membrane was put up in CPCL TTP Plant.
- CPCL has about 8 patents in the research areas and has also published several technical papers in international journals and symposiums.
- CPCL has sponsored research projects in academic institutions and national laboratories.
- CPCL has the recognition of "Department of Scientific and Industrial Research (DSIR)" under the Ministry of Science and Technology since its inception.

R&D Highlights

- Demonstrated pilot scale production of renewable crude and liquid hydrocarbon fuels from algae. The project aimed at producing sustainable alternative for petroleum crude.
- Developed process for the recovery of hydrocarbon fuel from crude sludge via micro-wave assisted pyrolysis in collaboration with IIT-M.
- Developed process to produce Dearomatised Kerosene (DAK) for various industrial applications.
- Developed process for the commercial production of Missile fuel for DRDO, Rocket propellant for ISRO, Mineral Turpentine Oil, Microcrystalline wax and Pharma Grade Hexane.

R&D studies

- Crude Assay Generation for various crudes processed in the Refinery
- Evaluation and Selection of Fluid Catalytic Cracking unit (FCC) catalyst/additive/promoter once in two years
- Pilot plant study on production of Green Diesel from waste cooking oil
- Extensive study on production of different grades of Rubber Process Oil (RPO)
- Study on determination of lube potential for various crude mix
- Study on utilization of HCGO (Heavy Coker Gas Oil) as additional feedstock for FCCU
- Study on determining the suitability of FCCU Gasoline Deslphurisation unit (GDS) for Heavy Naphtha treating
- Study on hydrotreating of Deasphalted Oil (DAO) to improve the yield of BNHVI grade Lube Oil Base Stocks (LOBS)
- Study on production of Group-II LOBS from UCO
- Study on production of paint grade MTO from Syn Naphtha

Research & Development (R&D)

INR 9.72 Crore	INR 7.15 Crore
FY 2022-23	FY 2021-22

On-going Research Projects

- Evaluation of lube potential for various crude mixes (3 Nos.) through pilot plant aromatic extraction studies and lab scale dewaxing studies.
- Hydro-treatment of Heavy Coker Gas Oil (HCGO) to evaluate its suitability as feedstock for Fluidised Catalytic Cracking Unit (FCCU)
- Evaluation of FCC GDS unit's suitability for processing of Heavy Naphtha.
- Feasibility of paint grade MTO production out of syn. Naphtha from Diesel Hydro-Treating Unit (DHDT).

Landmark projects completed over the years

1. BS-VI quality improvement

We have upgraded our Diesel Hydro Treater (DHDT) from 1.8 MMTPA TO 2.4 MMTPA; we also established a new Sulphur recovery block consisting of SWS (Sour Water Stripper), ARU (Amine Regeneration Unit) and SRU (Sulphur Recovery Unit) (2 x 100 TPD) along with a 0.6 MMTPA FCC gasoline desulphurization unit as per the MoP&NG mandate for MS & diesel supply complying to BS- VI norms (A demountable flare was also commissioned).

The project was undertaken at a cost of Rs 1,842 Crore.

2. RLNG (Re-gasified Liquefied Natural Gas)

Our focus on replacing fuels and its products with various eco- friendly alternatives has led us to utilising Re-gassified Liquefied Natural Gas (RLNG) feed (in place of Naphtha) in Hydrogen Generation Units, as fuel in Hydrogen Reformer, Gas Turbines, Utility Boilers and Process Heaters.

We have successfully completed RLNG conversion in all 5 Gas Turbines and all 6 Utility Boilers, 2 Hydrogen units and Refinery-III Heaters.

3. Replacing our 50-year-old 30" crude pipeline with 42" pipeline

For the purpose of increasing crude transfer from Chennai Port to CPCL refinery, a new pipeline system has installed. This 42'' pipeline infrastructure is equipped with sophisticated technologies such as 3 LP coating for improved corrosion resistance, cathodic protection, and advanced SCADA (Supervisory Control and Data Acquisition) & Leak Detection System (LDS) at a project cost of Rs 275 Crore which helps to keep the line safe during operation without impacting the environment.

4. Desalination Plant - 1st ever PSU to adopt RO technology

CPCL's refinery complex being located in the city of Chennai, a region that has been susceptible to variable rainfall and water scarcity – we strived to reduce our dependence on freshwater, so as to make more water available for public consumption.

CPCL became the first refinery in Asia to achieve this feat by establishing a 5.8 MGD desalination plant in 2010 at Katupalli, Tiruvallur district of Tamil Nadu. This innovative facility harnessed the abundant seawater resource available in the coastal region, providing us with a reliable and sustainable source of water for our operations. Through our proactive approach and continuous investments in water management infrastructure, we successfully tackled the acute water shortage resulting from monsoon failure. Our pioneering efforts in sewage reclamation, RO reject recovery, and sea water desalination not only helped us meet our water requirements but also set a benchmark for other industries in the region to adopt sustainable water practices.

5. Renewable Energy

Renewable energies are the future and CPCL identifies the potential of renewable energy generation in Tamil Nadu and is making significant investments in their installations. In 2007 CPCL installed a windmill farm of 17.6MW installed capacity. CPCL has further added its renewable energy portfolio by installing solar roof top PV panels. The cumulative capacity of solar PV's has reached 1.25 MW by Mar'23. Various studies are being undertaken to enhance the solar renewable portfolio by installing Roof Top Solar System in Plant & Non-Plant Area Buildings

Our state-of-the-art Renovated Quality Control Laboratory

Our Manali refinery has a Quality Control Laboratory accredited by NABL with ISO 17025 compliance. It is also approved by DGCA, DGAQA and CEMILAC for certification of Aviation Turbine fuel. The laboratory is operational since inception in 1967. The laboratory has been recently renovated with major emphasis on infrastructure development and deploying modular Laboratory work benches with fume hoods and 'once-through' Air Conditioning.

The major activities of our QC Laboratory are given below:

- Providing round the clock analytical support to process units to ensure that the process streams and products are in conformance to state requirements.
- Certifying finished products.
- Inspection of incoming goods, including testing crude samples, process chemicals, solvents, additives etc.
- Providing analytical support to Boilers, cooling towers, and other utilities.

CPCL produces - India's very first Missile Fuel – Advocating "*Make in India*" and AatmaNirbhar Bharat Initiative

Indigenous production of Missile Fuel and import substitution for JP-7 fuel

JP-7 is a superior quality fuel used in the Hypersonic Missiles. This fuel is extensively used in defence applications and produced in select countries in the world. Until recently, India was totally relying on imports for this fuel. CPCL has explored the possibility of indigenous production of fuel that meet all technical specification of JP-7.

In 2019, CPCL embarked on a challenging mission to produce our own missile fuel with JP-7-like specifications. By attempting to develop this fuel indigenously, CPCL would not only contribute to enhancing our country's defence capabilities but also reducing reliance on imports and promoting self-sufficiency.

CPCL undertook extensive studies and conducted experiments in the pilot plant that provided valuable insights into the properties and composition of the fuel. These pilot plant experiments enabled our R&D team to assess the feasibility of the formulation, evaluate the quality of the produced fuel, and identify areas for improvement. This iterative process helped in refining the production process and ensuring that the fuel meets the specifications required for defence applications.

With continuous efforts, CPCL successfully developed 50 litres of missile fuel comparable to the JP-7 specification and meeting the specifications of DRDO, Hyderabad in 2019. The approval from respected defence research and development laboratory (DRDL) reinforced the credibility of our achievement.

In connection with this project, CPCL bagged the Platinum Award in the Kaizen Competition under Innovation category of Champions Trophy conducted by CII IQ - TPM Club India.

Digitalisation and Innovation

- Zero customer complaints regarding data breach or any IT related issues in FY 22-23.
- Digital Control Tower (DCT) implemented for effective project monitoring

CPCL recognized the importance of embracing the digital revolution and has implemented various measures and initiatives to enhance the digital capital and streamline business operations. We sternly believe that digital transformation indeed has the potential to revolutionize various aspects of a business. By staying proactive and adaptive to emerging technologies and trends, CPCL is continuing to leverage the digital revolution to drive innovation and maintain a competitive edge in the marketplace.

- Maintenance Reliability Portal
- Document Management System
- Project Management System
- Shutdown Management Tool
- SAP (Extended thru IOCL)
- E-Permit system
- Management Dashboards
- Remote Monitoring of Gas Turbines

Process Optimization

APC (Advance Process Control) – 1st among Indian Refineries to implement APC

The application of online strategies for accomplishing more complicated objectives, such as quality control, energy reduction, unit/refinery wide optimisation, and better process unit stability, is known to produce additional economic gains from using the APC technique.

At CPCL, through ongoing internal efforts, ongoing technology improvements, and routine uptime maintenance, this adoption of APC in all our process units has resulted in improved process automation.

APC is a set of technologies which are implemented at higher level (supervisory computers) for enhancing ease of operation, improving feed rate, increasing yield and reducing energy consumption.

Manufacturing Execution System (MES)

By introducing MES, which has an array of benefits, we want to further optimise operations. Planning, scheduling, and yield accounting systems for business optimisation are combined with real-time process systems including process information systems, enhanced process controls, and performance monitoring systems to create the cyclical MES method.

In all primary and secondary units, CPCL has implemented a multivariable controlled - Dynamic Matrix Control plus (DMC+) software for APC application, allowing operations to achieve plant objectives while minimising product downgradation.

Process Information Network (PIN)

The core of PIN's architecture is a centralised real-time historical database developed on a three-tier architecture with a custom-built, user-friendly (Active Server Pages) ASP-based front interface. The PIN intranet website provides the most recent data on quantity and unit performance via a single interface. To assist in the examination of process data, many analytical tools, including process trend view and tag browser, have been set in PIN.

Apart from the real time information, optimization also maintains an oracle server which hosts various data tables like windmill data, plant daily consolidated data, process engineering daily reports, crude composition from the three crude units etc., In order to provide alerts on plant status, an SMS application has been developed and deployed using a GSM Modem through NOW (proprietary) SMS Software. PIN intranet website facility is also extended as internet facility with latest highly secured internet / Mobile version for data, alarms & alerts.

Business Optimization

Linear Programming (LP)

Given, the perennial changes in refining landscape due to volatility in Margins, increasing competition and environment regulations, CPCL as a standalone refiner is meeting these challenges and unpredictable business environment by early adoption of pioneering technologies.

Business Optimisation is carried out by using Linear Programming (LP) tools for evaluation of Crude Oil and Planning of Refinery operations. By constantly

enhancing the Crude Oil basket, CPCL has achieved a greater flexibility in feedstock selection for meeting the Business objective of maximising refinery margins. CPCL is also utilising the Crude Oil Database application used for management of Crude Oil Assays for making its LP Model more robust and also scheduling tool to provide feeding plan for Crude trains.

The prime focus of the Business Optimisation is to minimise the gap between Plan & Actual and at the same time be dynamic to adjust to any new developments. To meet these twin objectives, Operational Plan is implemented using Scheduling modules for optimizing the Crude Oil processing, Fuel & Lube Operations and for inventory management.

Awards and Recognition

CPCL received the prestigious Golden Peacock Innovative Product Award for developing "Candidate fuel equivalent to JP-7 specifications for the defence sector". CPCL feels proud to be the forerunner in producing this defence fuel as an import substitute for JP-7, which is a maiden and *AATMANIRBHAR* Bharat Initiative.

Human Capital

At CPCL, the company values its employees and considers them crucial to its success. The organization believes in empowering its employees by creating a diverse and inclusive work environment that fosters personal and professional growth. The organization is committed to creating an equitable, safe, and productive workplace for everyone and eliminate any form of discrimination and harassment. This commitment encompasses our hiring processes, performance assessments, and compensation practices, which are conducted with utmost transparency. As an equal opportunity employer, CPCL is dedicated to building a strong culture of inclusivity and diversity. Through Refinery Engineering School of Training (RESOT), the company provides young professionals with core training related to the oil and gas industry. This initiative aims to impart knowledge and enhance the skills of talented individuals aspiring for a professional career in our field.

In Financial year 2022-23, CPCL recruited 73 freshers. The average age of the organization has been coming down steadily and has effectively reduced by 5 years over a period of Five years.

Key Highlights

Permanent employee workforce **1466** including **76** Women employees

Employee Attrition– **0.34%**

29,000 + training hours

₹ 93.41 Lakhs Invested in trainings

73 freshers inducted as permanent employees

155 apprentices engaged for skill development

Effective average age of the workforce younger by **5 years**

Human Capital impact on other Capitals

Financial Capital

- The financial success of an organization is achieved through the competent and satisfied employees

Manufactured Capital

- Higher efficiency and quality in products are achieved through competent and skilled employees.

Intellectual Capital

- Achieving fast-paced growth in our R & D Efforts with pilot plants and analytical facilities over and above supported by a team of skilled employees and their innovative ideas.

Social & Relationship Capital

- Employee engagements in CSR initiatives.
- Activities are carried out round the year to engage with different stakeholder group by the employees of CPCL

Natural Capital

- Creating an awareness among employees on energy efficient process and operations.

Diversity, Equity, and Inclusion

At CPCL, we recognize the importance of a diverse workforce that encompasses individuals of all genders, ages, talents, and socio-economic backgrounds. We strongly believe that promoting diversity has a positive impact on the performance and success of our employees and the organization. To ensure that diversity is fostered within our organization, CPCL has implemented an equal opportunity policy that aims to create a workforce that is engaged, equitable, and treated fairly in all aspects of employment. This policy prohibits any form of discrimination or bias based on factors such as ethnic origin, nationality, disability, age, gender, religion, marital status, sexual orientation, social class, or any other characteristic unrelated to the requirements of the job.

We believe that by embracing diversity and the unique perspectives and contributions of every individual, we can cultivate a rich and dynamic workplace culture that promotes innovation, creativity, and collaboration.

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	(Including Differently Abled)					
1	Supervisory Employees	753	692	92%	61	8%
2	Non Supervisory Employees	713	698	98%	15	2%
3	Total	1466	1390	95%	76	5%

Category	< 30 Years	30-50 Years	>50 Years	Male	Female
Senior Management	-	-	64	61	3
Middle Management	-	66	65	125	6
Junior Management	111	187	260	506	52
Non-Management	69	423	221	698	15
Total	180	676	610	1390	76

Inclusiveness in Recruitment and onboarding

At CPCL, inclusiveness is demonstrated right from the talent acquisition stage. The company regularly conducts countrywide competitive tests to recruit skilled individuals, ensuring a fair and transparent selection process. Open positions are designated in a way that aims to provide sufficient representation of various under-served groups, including individuals with disabilities. To further ensure diversity and inclusivity, the interview selection panels comprise representatives from women, minorities, and underdeveloped communities. This diverse panel helps to eliminate bias and promote a fair assessment of candidates. CPCL guarantees that the selection process is uniform for all applicants, maintaining consistency and fairness throughout. As part of the onboarding process, CPCL implements an effective mentoring program for new recruits. This program helps new employees understand and navigate within the company, providing support and guidance to ensure a smooth transition into the organization.

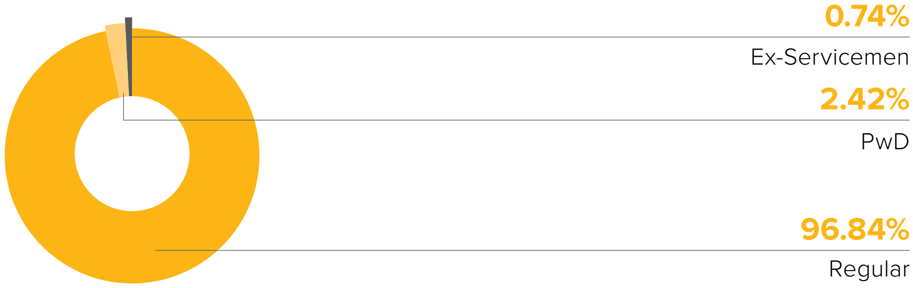
Equal pay is a key principle upheld by CPCL at all levels. The company is committed to ensuring that employees receive equal compensation for equal work, regardless of their gender, ethnicity, or any other characteristic unrelated to job requirements.

At CPCL, we are committed to creating a disabled-friendly environment that promotes accessibility and inclusion for people with disabilities. This is achieved through various measures, including the availability of wheelchair ramps, pedestrian lanes, and lift facilities within the infrastructure.

To ensure the adherence to accessibility standards and offer equal opportunities for employees with disabilities, CPCL conducts an Infrastructure Audit. This audit assesses the buildings, processes, and technologies that support the organization's activities, with a specific emphasis on accessibility and inclusion. Reports on buildings, facilities, communication systems, information technology systems, and other infrastructure elements are submitted as part of this audit process. These reports provide valuable insights into the current state of accessibility within the organization and help guide decision-making and improvements. Recommendations from employees with disabilities are also taken into consideration during this process.

Particulars of Differently Abled Employees	Total (A)	Male		Female	
		No. (B)	% (B/A)	No. (C)	% (C/A)
Permanent Employees (Supervisory)	18	17	94%	1	6%
Permanent Employees (Non-Supervisory)	18	18	100%	-	-
TOTAL	36	35	97.22%	1	2.78%

PwD & Ex-Servicemen Representation

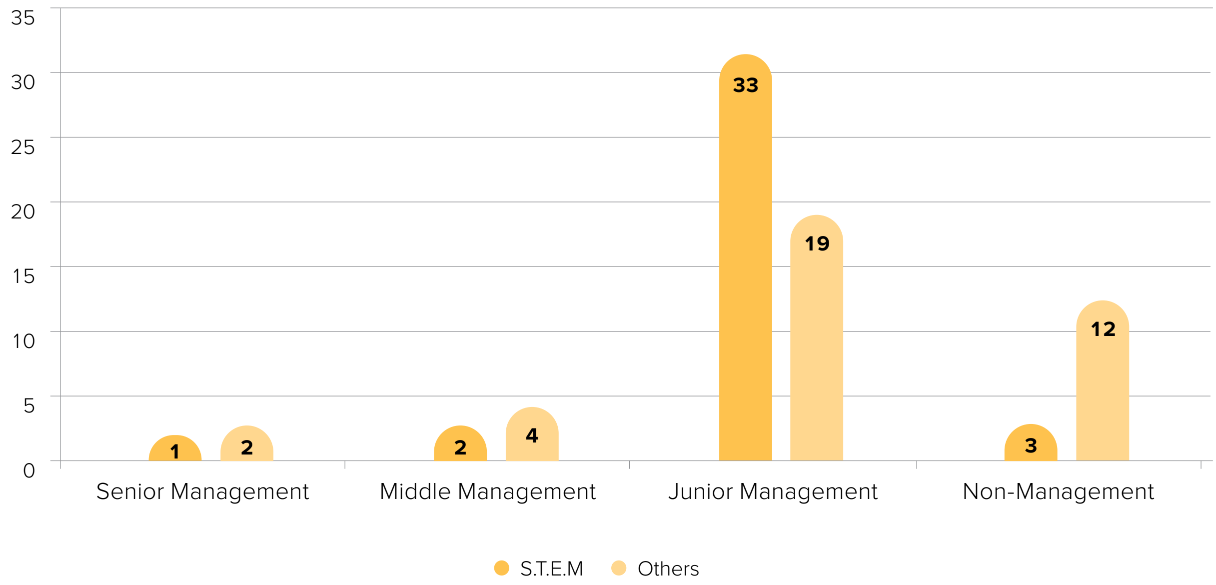


Women at CPCL

CPCL is committed to the development and empowerment of its female employees, with the goal of creating a diverse workforce. We implement various training programs and sessions specifically designed for female employees. These initiatives aim to enhance their skills, knowledge, and overall professional development. Through these programs, women at CPCL are also provided with opportunities to excel in various cultural, professional, and social endeavors.

Moreover, CPCL recognizes the importance of promoting women in Science, Technology, Engineering, and Mathematics (S.T.E.M) roles. The organization actively encourages and supports women to pursue careers in these fields.

Women Representation at CPCL



About 39 of the 76 women employees in the organization (i.e., more than 51% women employees) are engaged in S.T.E.M roles

A designated women cell is actively functioning to handle any grievances faced by women employees, ensuring their prompt redressal. The organization has established codes and policies aimed at creating a safe and secure workplace environment for women. In line with this commitment, an Internal Complaints Committee (ICC) has been set up to address any accusations of sexual harassment and conduct investigations if necessary.

In the last financial year, no complaints regarding sexual harassment were reported at CPCL. This indicates that the organization's efforts in creating a safe and respectful work environment have been effective.

CPCL as a member of WIPS, participated in the 33rd National Meet of WIPS in Kolkata.

CPCL also conducts special training programs specifically tailored for women employees. These programs focus on empowering and enhancing the skills and knowledge of female employees. Additionally, a session on Yoga and Wellness was conducted in the last financial year for all female employees, promoting their holistic well-being and development.

Talent Management

Recruitment and Onboarding

The recruitment process at CPCL adheres to the standards and criteria mandated by the Government of India (GoI) for the identification and selection of candidates based on specific functions and competencies. Open positions are advertised through various channels, including the company's website, the Employment Exchange, and the National Career Service portal. The fact that CPCL receives approximately 300 applications for each open position is indicative of the company's reputation as an employer of choice in the market. To ensure a thorough selection process, potential applicants undergo screening through a national-level competitive examination. This examination serves as an initial assessment of the candidates' qualifications and suitability for the role. Subsequently, shortlisted candidates proceed to the interview. During the interview stage, candidates are further examined to assess their potential fit for the job. From the pool of candidates who attended the interview, a successful applicant is chosen from a ratio of 1:5, indicating a competitive selection process.

Onboarding
Identification of suitable candidate through proper channels

Induction
Full fledged induction program for 24 weeks followed by evaluation

Performance Management
Employees will be monitored, and reviewed yearly to analyse the performance against KRA's

Induction

The induction process at CPCL is catered to train the new employee in all necessary aspects. The 24-week induction program consists of 2 weeks classroom training including a session on personality development, 6 weeks of cross functional training and 16 weeks of on-the-job training. At the end of the induction session, each new recruit is evaluated and provided jobs based on the nature and criticality.

2 weeks

Classroom Trainings

Including a section on personality development

6 weeks

Cross functional Training

Each employee will get a chance to work in all departments at CPCL

16 weeks

On the job training

Training related to the field of work for which the employee is recruited

The induction process at CPCL is designed to provide comprehensive training to new employees, equipping them with the necessary knowledge and skills for their roles. The induction program spans a duration of 24 weeks and includes various components. The program begins with a two-week classroom training session, during which new employees undergo training on different aspects relevant to their roles. This may include technical training and job-specific knowledge and skill development sessions. Additionally, there may be a session dedicated to personality development, focusing on enhancing interpersonal skills and professional growth. Following the classroom training, a six-week cross-functional training phase is included which exposes new employees to different departments and functions within the organization, giving them a broader understanding of the overall operations and fostering cross-functional collaboration. The on-the-job training phase comprises the longest duration of the induction program, lasting for 16 weeks. During this period, new employees work under the guidance of experienced professionals, gaining hands-on experience and applying the knowledge acquired during the earlier stages of training. This on-the-job training helps new employees familiarize themselves with the specific tasks, responsibilities, and challenges of their roles. At the end of the induction program, the onboarded personnel undergo an evaluation process to assess their performance and suitability for the job. This evaluation considers the nature of the role and its criticality. Based on this assessment, a decision is made regarding the permanent placement of the employee in a suitable position within the organization.

Performance Management

The performance management is conducted through a multi-level approval process. To be eligible for the appraisal process, an employee must have completed a minimum period of 6 months at the organization, as on end of the financial year, which is the assessment cycle. This ensures that employees have sufficient time to demonstrate their performance and contributions before being evaluated. During the evaluation, employees are rated on a scale of 1 to 5, with 5 being the highest rating. The rating scale typically includes categories such as Outstanding, Very Good, Good, Fair and Poor, reflecting different levels of performance and contribution. The variable pay component of employees depends on the scores they receive in the evaluation. Higher ratings are generally associated with higher variable pay rewards, reflecting the employee's exceptional performance and contributions to the organization.

By implementing this performance management system, CPCL aims to recognize and reward employees based on their individual performance and contributions to the organization. The multi-level approval process and the inclusion of variable pay provide a structured approach to performance evaluation and incentivize employees to strive for excellence.

Sr. No.	Category	Unit	FY 2022-23	
	All the Employees received a regular performance and career development review during the reporting period		Male	Female
	Employee category			
1	Senior Management (General Manager & Above)	Nos.	27	1
2	Middle Management (Senior Manager to Deputy General Manager)	Nos.	159	8
3	Junior Management (Officer, Sr. Officer, Assistant Manager, Deputy Manager & Manager)	Nos.	506	52
4	Staff (All Non-Officers)	Nos.	698	15
	TOTAL		1,390	76

Employee Turnover

CPCL continuously registers very low voluntary turnover rates, reiterating our position as an employer of choice. The age for retirement of employees is consistent with the policies of the Government of India (i.e., completion of 60 years).

Turnover Rate

Category	FY 2022-2023			FY 2021-22			FY 2020-2021		
	M	F	Total	M	F	Total	M	F	Total
Permanent Employees	5.57%	0.47%	6.04%	6.29%	0.57%	6.85%	6.34%	0.12%	6.46%

Employee Turnover (Voluntary)

Sr. No.	Age category	FY 2022-23		FY 2021-22	
		No	Rate	No	Rate
1	<30	2	0.13%	4	0.25%
2	30-50	2	0.13%	4	0.25%
3	>50	1	0.07%	0	0.00%
4	Total voluntary Turnover	5	0.34%	8	0.50%

Learning and Development

At CPCL, continuous learning and development are prioritized as part of the employee and organizational growth. To provide employees with opportunities to enhance their knowledge and skills, various learning and development options have been developed. These initiatives are designed to leverage technology and provide flexibility for employees to learn at their own convenience. The major initiatives are mentioned below:

1. Web based Learning
2. Learning Management System
3. Education Assistance Scheme

Web based Learning : As part of this initiative, training and learning modules are delivered to employees through audio and live streaming videos.

Learning Management System : CPCL introduced LMS for the learners to access the instructional material, data, and repositories easily on their mobile devices. The primary objective of LMS system is to integrate Learning and Development with various other HR initiatives.

Education Assistance Scheme: The scheme has been extended to benefit employees who develop and enhance their skills and expertise by pursuing higher education degrees.

Trainings

In the rapidly evolving industrial landscape, innovation and digitization have become essential for organizations to stay competitive and achieve greater heights. CPCL recognizes the importance of keeping its employees' competencies and skill sets up to date to adapt to these changes. As part of this commitment, CPCL provides regular on-the-job training to all employees.

Through regular skill upgradation training, we ensure that employees stay updated with the latest industry trends and technologies. These training programs focus on specific job-related skills, tools, and techniques that are relevant to their respective roles. By providing regular skill upgradation training, CPCL empowers employees to perform their tasks efficiently and contribute to the organization's success.

CPCL understands the significance of strong leadership in driving organizational growth. To nurture leadership qualities among its employees, the organization conducts leadership trainings. These programs aim to develop leadership skills, enhance decision-making abilities, and promote effective communication and collaboration. Leadership trainings help employees grow personally and professionally, preparing them for future leadership roles within the organization.

Organizational changes and transitions can present challenges to employees. To support them during such periods, the organization provides Transition Assistance trainings. These trainings equip employees with the necessary skills and knowledge to adapt to changes effectively, handle transitions smoothly, and continue delivering their best performance.

Segment	No of Trainings	Topics/principles covered under the training and its impact
Board of Directors	3	• Trainings on Strategic Management and Leadership • Current trends in Oil and Gas Sector, • Latest Technological Advancements
Key Management Personnel	81	• Competency Development programmes • Project Management • Trainings related to various technical functions
Employees other than BODs and KMPs	132	• Technical & Behavioural Trainings: • Safety & Health related trainings • Core course modules • SAP • Control panel Operations • Managerial skill development trainings

Training Programmes	Total Employees		Employees at Management level		Employees at Non-Management level		Temporary Employees (Intern)		Total hours
	Male	Female	Male	Female	Male	Female	Male	Female	
Skill Upgradation (Behavioural)	313	94	163	71	150	23	57	121	3256
Skill Upgradation (Technical)	2048	128	1193	122	855	6	210	55	17408
Leadership skills	52	23	59	25	0	0	0	0	600
Induction	400	53	362	55	45	0	0	0	3624
Policy and Compliance	57	6	20	4	0	2	0	0	504
Process Training	341	14	180	14	161	0	0	0	2840
Business Ethics	59	4	22	4	37	0	0	0	504
Human Rights	50	4	16	2	34	2	0	0	432

Skill Upgradation Programs

- Core Course Modules - Refinery Management, Refinery Operations, Instrumentation and Electrical Maintenance & Mechanical Maintenance and Inspection
- Process Safety Management
- Control Panel Operations
- Technical training for Non Technical Employees
- Oil movement & Storage tank operations
- SAP training / Primavera / MS Office

Transition Assistance Program

- Supervisory Development Programme
- Career Transition Programme
- Management Development Programmes
- Induction Trainings

At CPCL, the security of the Refinery premises is managed by the Central Industrial Security Force (CISF), which operates under the Ministry of Home Affairs. The CISF is responsible for ensuring the safety and security of the Refinery and its assets. They are trained and equipped to handle various security-related tasks and emergencies.

Refinery Engineering School of Training (RESOT)

In 1984, CPCL established the Refinery Engineering School of Training (RESOT) in order to provide engineers in the petroleum and petrochemical industries with specialised training. Nested in a convenient location at Chennai, RESOT is well-equipped with the infrastructure needed to deliver high professional trainings of high standards. RESOT provides exhaustive trainee centred teaching in the below mentioned modules:

1. Refinery Operations: The module focuses on the various processes and operations involved in refining petroleum and petrochemicals. Trainees learn about the different units and equipment used in a refinery, safety protocols, process optimization, and troubleshooting techniques.

2. Mechanical & Maintenance Inspection: This module provides training on mechanical systems, equipment maintenance, and inspection practices. Trainees learn about the maintenance and inspection of machinery in a refinery setting.

3. Electrical & Instrumentation Maintenance: This module covers electrical systems, instrumentation, and control systems used in refineries. Trainees gain knowledge and skills in electrical maintenance, troubleshooting electrical issues, calibration of instruments, and ensuring the proper functioning of control systems.

4. Refinery Management: The module focuses on the managerial aspects of running a refinery. Trainees learn about refinery economics, project management, safety management systems, environmental regulations, and compliance standards. The module also covers leadership skills and effective management practices in the refinery industry.

RESOT's training programs are designed to provide in-depth knowledge and practical skills to engineers working in the oil and gas sectors. The trainee-centred approach ensures that participants receive hands-on training, engage in interactive sessions, and have access to experienced faculty members who are experts in their respective fields.

By offering specialized training in these modules, RESOT contributes to the professional development and competency enhancement of engineers, enabling them to excel in their roles within the oil and gas industry. Expert outside faculty are also engaged for training.

Employee Engagement

In its journey, CPCL has prioritized the cultivation of an engaged and motivated workforce by fostering a healthy workplace culture that promotes individual, team and organizational accomplishments. The organization recognizes the importance of creating an ideal environment for holistic development, encouraging staff participation, dedication, passion, excitement, focused effort, and energy. By offering platforms for personal expression, CPCL nurtures the individual growth and well-being of its employees. Engaging in sports, cultural activities, and other events not only promotes a healthy work-life balance but also enhances employee morale, motivation, and overall job satisfaction.

Employee Suggestion Schemes play a significant role in fostering a culture of continuous improvement and innovation. These schemes allow employees to share their ideas and recommendations for enhancing processes and products. By involving employees in the decision-making process and valuing their contributions, CPCL empowers its workforce and demonstrates that their opinions are valued and can make a difference.

Quarterly communication meetings with employee representatives provide a structured forum for discussing the company's performance over the previous quarter. These meetings also serve as an opportunity to seek feedback and input from employees regarding the company's future directions and strategies. By involving employee representatives, CPCL ensures that the collective voice of its workforce is heard, and their perspectives are considered when making strategic decisions. Additionally, the organization conducts open house meetings, where the CEO directly interacts with employees of all levels. These meetings create an atmosphere of transparency and openness, allowing employees to share their thoughts, concerns, and ideas directly with the top leadership. Such interactions with the CEO demonstrate that CPCL values open communication and fosters a culture of approachability and collaboration.

Idea Melas:

Idea Melas are an excellent way to tap into the creativity and expertise of the employees working in the Refinery sector. By encouraging employees to come up with innovative ideas, CPCL aims to improve profitability, enhance reliability, strengthen safety, achieve net-zero by energy intensification, optimize costs, and simplify systems. Such events provide a platform for young, energetic, and experienced employees to showcase their ideas and contribute to the overall growth and development of the company.

At the Idea Mela 2022-23 conducted by IOCL, CPCL teams won two awards and bagged first place in the Safety (Implementation of Integrated Safety Monitoring System) and Technical (Maximising FCCU capacity, Enhancing Returns with Less Investment) categories.

Competency Mapping

Competency mapping is conducted by CPCL to assess and evaluate the skills and capabilities of supervisory employees. The assessment focus is on eight leadership competencies: strategic leadership, business result leadership, talent leadership, change leadership, relationship leadership, operational leadership, content leadership, and customer leadership. An online test is hosted on the Indian Oil Portal, making it convenient for employees to participate. Employees are requested to submit their responses, which may include self-assessments, behavioural scenarios, or other relevant evaluation methods. The online test included the below mentioned assessments:

60 minutes
Psychometric Assessment

75 minutes
Business and People Management

75 minutes
Case Study

90 minutes
Situational Judgement Test

15 minutes
Feedback on Leadership Centre

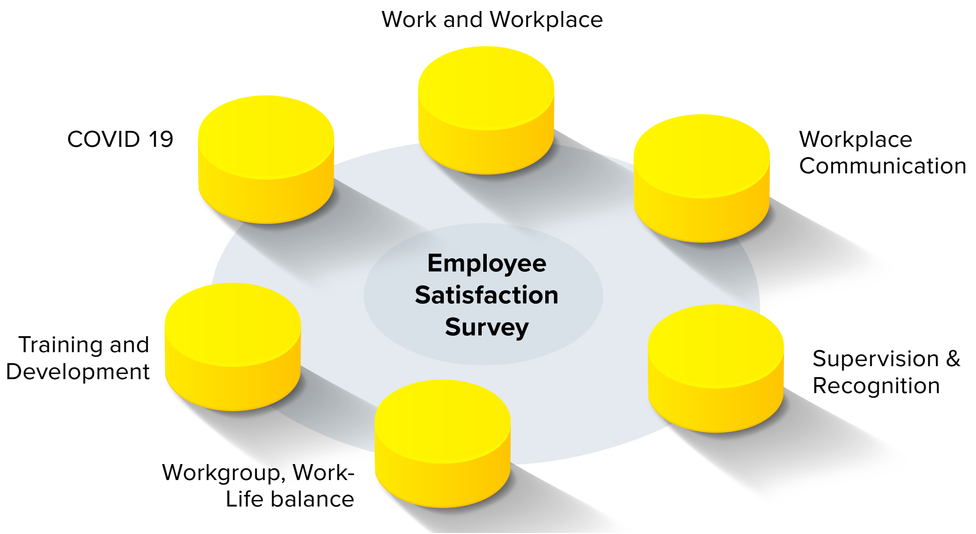
Employee Satisfaction Survey

CPCL conducts employee satisfaction survey every two years to track changes in employee satisfaction levels over time. By comparing results from previous surveys, the organization can identify trends and assess the effectiveness of any implemented initiatives aimed at enhancing employee satisfaction. CPCL believes that the survey helps in measuring and enhancing employee engagement levels. Engaged employees are more likely to be satisfied, productive, and committed to their work and the organization. The insights gained from the survey can be used to implement strategies that foster employee engagement.

The survey aims to identify specific areas where improvements can be made to enhance employee satisfaction. By collecting feedback from employees, the organization can pinpoint aspects such as work-life balance, communication, career development opportunities, compensation, benefits, and organizational culture that may need attention.

The feedback collected helps management understand the workforce's sentiments and make informed decisions to improve policies, programs, and practices that impact employee satisfaction.

By focusing on these objectives, CPCL aims to create a positive work environment, improve employee satisfaction, and ultimately enhance the overall employee experience within the organization.



At the end of survey, it was observed that Employees expressed higher levels of satisfaction with communication processes within the workplace. Clear and effective communication fosters transparency, reduces misunderstandings, and helps employees feel connected and informed. CPCL's efforts in managing the challenges posed by the COVID-19 pandemic were well-received by employees. This includes measures taken to ensure employee safety, remote work arrangements, and other supportive initiatives.

The survey results highlighted that employees perceive modest room for improvement in the area of training and development. Investing in employee skills and professional growth is crucial for enhancing job satisfaction, competency, and retention.

The reporting year's employee satisfaction survey revealed that 79.42% of respondents were satisfied with their overall employment.

HR Initiatives

The below mentioned activities were carried out in last financial year as a part of HR initiatives

- Mandatory Master health checkup for all employees
- Consultation with doctors including cardiologists and diabetologists for all employees once in a month
- Special programs and activities including blood donation drives, happiness programs, and sporting competitions were held frequently
- The company has also invested in exercise equipment like treadmills to facilitate employees utilise them and maintain good health.

Employee Benefits

Demonstrating a strong commitment to the well-being and work-life quality of employees, we provide a wide range of health, insurance, and welfare benefits to the employees,. These initiatives not only contribute to the overall happiness and satisfaction of the employees but also have positive impacts on their productivity and career growth.

- **Health Insurance:** CPCL provides health and accident coverage for the employee, spouse, and dependent family members, ensuring that the entire family has access to necessary medical care. This promotes the well-being of employees and their loved ones, giving them a sense of security.
- **Maternity & Paternity Leave:** All employees are entitled to receive due paid leave as they embrace parenthood. CPCL provides 6 months maternity leaves to all their female employees and 14 days paid paternity leave to all the male employees. Apart from this, women employees may also avail childcare leave (unpaid) for a period of up to 2 years.

Gender	Total Number of people who availed parental leave in FY 22-23	Total number of people returned after parental leave in FY 22-23	Return to work rate	Total number of people returned from parental leave in prior FY (2021-22)	Retention Rate
Male	72	72	100%	61	100%
Female	3	3	100%	1	100%
Total	75	75	100%	62	100%

- CPCL also provides a day-care facility for the employees' children in the vicinity of Manali location.
- **Holistic Wellbeing:** CPCL believes that employee must attain wellbeing in all the spheres. Primary health check-ups are carried out at regular intervals and CPCL has established a treatment centre in the plant location. Free eye camps are conducted for all the employees through a partnership with Sankara Nethralaya, a renowned eye care speciality hospital.

  Training sessions on Mental Health is conducted for employees to help them better manage stress; yoga sessions are conducted periodically for the rejuvenation of mind and body.

Category	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits		Day-care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1390	1390	100	1390	100	1390	100	1390	100	1390	100
Female	76	76	100	76	100	76	100	76	100	76	100
TOTAL	1466	1466		1466		1466		1466		1466	

Post Retirement

CPCL provides comprehensive support through financial planning, physical and mental well-being programs, and post-retirement health insurance to all the employees retiring from the company, thereby demonstrating a commitment to the holistic well-being of your employees even after they have transitioned into retirement. The company facilitates programs assisting employees with financial planning before retirement as it is seen as being crucial for their smooth transition into a retired life. By providing professional guidance and advice on suitable investment options, we empower employees to make informed decisions about their financial well-being. This program helps employees understand their retirement benefits, create retirement income plans, and manage their finances effectively.

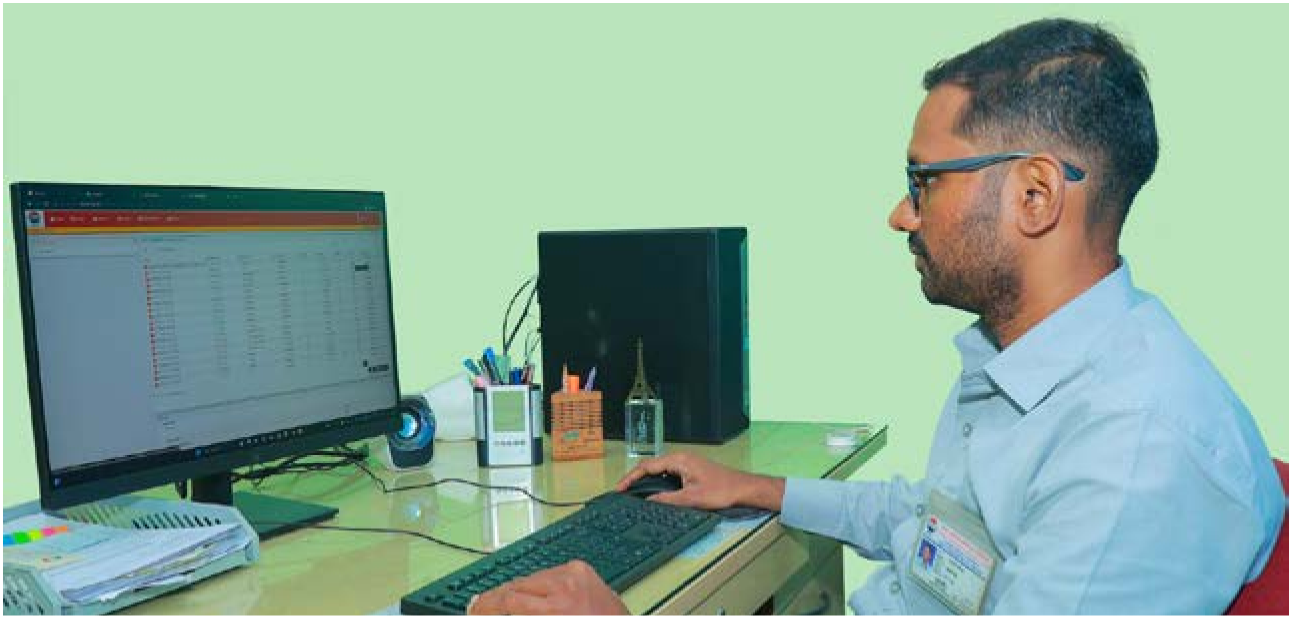
We regularly conduct programs to educate employees about maintaining physical and mental well-being post-retirement. Retirement can bring about lifestyle changes and adjustments, and guidance on staying physically active, engaging in hobbies, managing stress, and nurturing mental health can support employees in maintaining a fulfilling and healthy lifestyle during this phase.

CPCL Provides employees with a health insurance cover of up to INR 8 lakhs even after retirement for the rest of their lives. This ensures that employees continue to have access to top quality healthcare services and financial support for medical expenses even after they retire. This offers them peace of mind and protects their physical and financial health during their post-employment years.

Digitalisation in HR

In CPCL, digitalisation is a strategy utilised to help the company achieve its unique business demands. In this sense, process automation and reduction in employee time spent on routine HR activities are two goals of CPCL's digital transformation. Below are the major initiatives in digitization that have been undertaken.

- Online performance management system that encourages excellence in performance and rewards employee work. Greater openness, consistency, and process effectiveness.
- A cloud-based software platform designed to centrally manage all of CPCL's learning and development initiatives e-Learning modules
- To gather employee concerns and respond to them swiftly, Online Grievance redressal has been made available.
- Employee Self-Service portal, which provides protected access to employees' personal and professional information, as well as details about their salary and other perks connected to compensation, and resources for handling issues relevant to their jobs.



Safety

Health and safety of our employees is a top priority for us at CPCL and various initiatives are implemented towards maintaining a safe work environment. The company has implemented ISO 45001:2018 for Occupational Health & Safety Management System (OHSMS).

The Occupational Health & Safety department and the Fire and Safety Department are crucial in addressing health and safety concerns comprehensively. By combining the expertise and resources of these departments, take a proactive approach to health and safety management, reducing the risk of accidents, injuries, and occupational hazards.

Occupational Health & Safety

CPCL is equipped with 24X7 operating medical centre with health care professionals and a team of professionals who can handle various medical situations. This includes a Chief Medical Officer (CMO) and Chief Manager Medical who oversee the operations. The team also comprises duty doctors, ambulance drivers, emergency medical assistants, and female nurses, ensuring a comprehensive range of medical expertise and support. The major activities of the OHS department is listed below.

The hygiene monitoring of the work environment and identification of any environmental agents causing health hazards is a critical aspect of ensuring a safe and healthy workplace. By conducting such monitoring, CPCL demonstrates a proactive approach to identifying and addressing potential health risks.

At CPCL, we conduct monitoring in all areas to identify all possible hazards. The frequency of the monitoring will vary between once in two weeks to once in a year. Process area and Offsite area are monitored for all possible hazards. All plants are inspected for noise levels, heat stress and light once in a year.

Employee health examination: CPCL conducts pre-employment health evaluations and periodic health check-ups for the employees to ensure that employees are fit for their roles and are maintaining their health and well-being throughout their tenure.

Immunization Programs: Implementing immunization programs is a vital component of ensuring the health and well-being of employees. Immunization programs represent a proactive approach to disease prevention and employee protection.

Other major treatment facility available at CPCL is mentioned below:

- An online portal for scheduling an appointment for **premedical examination** is made available in the company intranet.
- Facility to carry out Titmus Vision test, Audiometry, ESG, Pulmonary function test, Vertigo test for workers employed at height in OHS Nursing station.
- S.H.A.P.E(Psychiatric, Hearing, Appendages, Physical, Eyesight) Examination for CISF
- Conducting mental health awareness programmes at Individual level.
- Conducting Lifestyle modification programs including alcohol/smoking deaddiction programs.

Safety committees with participation of employees across job levels, including the senior management play a pivotal role in driving our safety agenda. Details of safety committee composition and their participation is tabulated below.

No.	Health and safety Committees (Name of the committee)	Level(s) at which the committee(s) typically operate	Non-management/ Workers' Representative	Management	Frequency of meetings
1	Area Safety Committees - I & II	GM	50%	50%	Monthly
2	Zonal Safety Committees - 9 nos.	DGM	50%	50%	Monthly

CPCL provides training courses on occupational health and safety dedicated to equipping employees with the necessary knowledge and skills to ensure their safety at work. These courses cover a wide range of topics relevant to the company's activities, ensuring that employees are well-informed about potential risks and how to mitigate them. Safety days are observed where emphasis is place on the importance of safety awareness and highlights specific safety issues or themes. This provides an opportunity for employees to refresh their knowledge, share best practices, and engage in safety-related activities.

No.	FY 2022-23		
	Training Topics Covered	No of Trainings	No of Participation
1	Induction Training	Daily Training	6660
2	On the spot training	76	3559
3	Crane Safety, Lifting Tools and Tackles	1	51
4	Behaviour Based Safety	2	78
5	Process Safety Mgmt.	1	33

No of Employees who received training on Health and Safety			
Category	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who received training on Health and Safety (B)	B/A %
Male	1390	789	57%
Female	76	62	82%
Total	1466	851	58%

CPCL arranges activities for all the employees on various thematic days such as World Tobacco Day and World Health Day among others. A voluntary blood donation camp was also conducted in the last financial year. Some of the other activities undertaken in the last financial year relating to health, safety and wellbeing are mentioned below:

- "Har Ghar Tiranga" Campaign for contract Women Workers of CPCL
- Medical camp Conducted for contract Women Workers - 137 of our contract Women Workers participated in the program.
- Webinar on Women's Health Dealing with common Gynaecological issues & dealing with common Urogynaec issues - 45 female employees attended and benefitted from the same.
- A talk on "Healthy Heart – Healthy Life" was conducted by renowned Cardiac Surgeon Dr Jacob Jamesraj, on 29th December, World Heart Day. 75 of our employees had participated in the program.
- Free eye camp was conducted and 220 personnel attended the camp which provided eye check-ups and suggested remedies for the same.
- Medical Examination conducted for the benefit of Contract Workmen and Safai Karamcharis

Fire & Safety

CPCL has established a robust fire and safety monitoring mechanism in the company headed by Director (Operations) and CGM (Technical Services). Three fully staffed fire stations are accessible round the clock. There is a defined, thoroughly documented off-site emergency plan, and on-site emergency plan, and a disaster management plan.

As required by the Oil Industry Safety Directorate standards, CPCL has installed fire protection equipment including hydrants, monitors, HVLRs, rim seal fire protection system, water sprinkler system, foam pourers, flooding system, deluge valve system and fire extinguishers. It has also installed fire detection systems like hydrocarbon detectors, smoke detectors, heat detectors and portable gas detectors. In addition to the safety measures, the company has entered into a mutual aid agreement with the neighboring industries. The major initiatives under Fire and Safety are as follows:

- An online Near Miss portal is enabled for reporting any unsafe acts, conditions, and near misses so that all of these are promptly addressed to stop any unfavourable situations.
- Completing Shutdowns without any safety issues. During the downtime, 1051 personnel received induction training, on-the-job training, and group toolbox lectures.
- Observance of monthly safety themes on 17 designated locations on first day of every month.
- Live Fire Drill Training for 97 IOCL Employees was covered in the three programs that were conducted in June'22, Sep'22, and Mar'23.
- Pressure Fed Fuel Fire Training (PFFFT) imparted to 103 personnel in 5 batches of AAI Employees.
- On the Spot Safety training was conducted for 3559 workers covered against a target of 2500.

- Mandatory Safety Induction Training is essential for issuing entry pass to workers. 6600 workers were provided the same.
- 8 monthly mock drills were conducted in different refinery areas.
- To create an awareness on road safety and to prevent road accidents, places in the refinery have radar speed guns installed. CPCL witnessed zero road accidents in last four years.
- Before giving workers permits for employment at heights, the refinery constructed a vertigo model to assess fear of heights; 538 employees were covered in this assessment.
- Road Safety Week campaign was conducted in January 2023, For truck drivers, awareness campaigns are undertaken regularly.

Our strong focus on safety has culminated in robust safety performance in FY 2022-23, where we maintained a track record of zero reportable accidents and fatalities.

Safety Performance	Employee	Contract Workers
No. of Reportable Accidents	Nil	Nil
No. of Fatal Accidents	Nil	Nil
Man Days Lost	Nil	Nil
Man hours lost	Nil	Nil

Safety Records as on 01 April 2023

Safety Aspects	Unit	Quantity
Accident Free days	Days	1,281
Fire Free days	Days	1,153
Safe worked after the last Lost Time Accident on 28.09.2019 (Employees)	Million Man Hours	13.71
Safe worked after the last Lost Time Accident on 28.09.2019 (Contract Workers)	Million Man Hours	30.85
Safe worked after the last Lost Time Accident on 28.09.2019 (Cumulative)	Million Man Hours	44.56

Social and Relationship Capital

Introduction

We at CPCL, prioritize sustaining and maintaining long-term relationships with your stakeholders by focusing on pragmatic social changes. We understand that recognizing the importance of stakeholders and nurturing relationships based on mutual integrity and respect is crucial for the success and sustainability.

Fostering community development and engagement, particularly in the locations in the refinery vicinity, reflects CPCL's commitment to making a positive impact on the local community. By providing robust employment opportunities and offering technical skill-based training, we contribute to enhance the quality of life for community members. This not only creates economic stability but also promotes skill development and empowers individuals to build better futures for themselves and their families.

Key Highlights FY 22-23

₹ 6.04 Crore - CSR expenditure

₹ 17,728 Crore - Contribution to exchequer (~ 20% of Gross Revenue)

38.96% procurement directly sourced from **MSME's**/ Small Producers

Highest ever Dividend declared **270 %**

First BSI Certified **ISO 21001:2018** - CPCL Polytechnic college in Tamil Nadu benefitting **500 + students**

Social and Relationship Capital

Financial Capital

- Higher revenue inflow results in better business and thereby creating better brand and increase in customer base.
- Involving in community engagement activities will enhance the brand as a responsible corporate.

Manufactured Capital

- Building strong relationship with all stakeholders with proper stakeholder management.
- Ensuring community support in all relevant manufacturing units whereby including them in the business operations.

Intellectual Capital

- Analysing the stakeholder participation with respect to the innovation and development of a new initiative.
- Collaborative agreements with organisations to develop products of national interest.
- Development of Pressure swing adsorption(PSA) plants to meet the high oxygen demand during COVID 19

Human Capital

- Engaging Employees in CSR activities thereby contributing to the community.

Natural Capital

- Torch bearing Water Stewardship in India through pioneering initiatives like seawater Desalination plant, Sewage Treatment plants whereby reducing the load on external water dependency.
- Rejuvenation of water ponds in the adopted districts in Nagapattinam.

Customers

CPCL's product portfolio includes fuel products, petrochemical feedstocks, specialty products, and lube oil base stocks. These products are essential for both public and industrial customers, addressing their energy needs and feedstocks requirements. In terms of market presence, CPCL has been serving the energy needs of people in Tamil Nadu and parts of Andhra Pradesh, Telangana, Karnataka, Puducherry and Kerala. which helps CPCL to cater to a significant population and contribute to the energy supply in these areas. IOCL, the parent company, plays a major role in marketing the majority of CPCL's petroleum products. CPCL's refining operations are integrated with IOCL marketing reach utilizing IOC's wide marketing network and product pipelines to distribute various petroleum products. These products include LPG, Kerosene, Aviation Turbine Fuel, Motor Gasoline, High-Speed Diesel, Naphtha, Lube Oil Base Stocks, Asphalt, and others. By leveraging the marketing capabilities and infrastructure of IOCL, CPCL is efficiently distributing its petroleum products across the country whereby ensuring that customers have access to a reliable supply of essential energy products.

CPCL supplies petrochemical feedstocks directly to downstream petrochemical companies. This business model creates a value chain where these companies utilize the output from CPCL as feedstock to produce value-added products. CPCL is instrumental for these downstream petrochemical companies contribute to the creation of direct and indirect employment opportunities in the Manali region whereby demonstrating CPCL's role in supporting the local economy and fostering industrial growth.

To strengthen the relationship with customers and gather valuable feedback, CPCL organized customer meets twice during the year 2022-23. These customer meets provide a platform for interaction, enabling CPCL to understand customer expectations and identify future customer needs.

We believe that this customer-centric approach enables us to continuously improve our products, services, and marketing efforts, ensuring customer satisfaction and maintaining strong relationships within the industry.

Investors

CPCL places high priority on fulfilling the expectations of its investors and maximizing returns on investor funds. We ensure transparency and effective communication with our investors by publishing Quarterly, Half-yearly, and Annual financial results. This practice allows investors to stay informed about the company's performance and financial health. Publishing these results in prominent newspapers and on the company's, website ensures easy access to this information for all stakeholders.

The Investors Cell at CPCL offers a range of services to investors, including the transfer of shares and other related services as required. This ensures that investors have a dedicated point of contact within the organisation to handle their specific needs and facilitate smooth processes related to share transactions. To further enhance convenience and provide faster response time, CPCL has provisions on its website that enable investors to submit their service requests online. This online platform allows investors to easily access and utilize the services offered by the Investors Cell, ensuring a streamlined and efficient process for addressing their requirements.

To further streamline the process, CPCL has a Stakeholders Relationship Committee consisting of directors with expertise in operations and finance. This committee is responsible for addressing shareholders' issues, in line with the statutory requirements outlined by the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Suppliers and Vendors

CPCL recognises the crucial role of suppliers, vendors, and service providers in ensuring smooth operation and maintenance of plant and equipment. CPCL actively engages with the suppliers and vendors through interactive sessions through which CPCL can actively listen to the perspectives and insights of its suppliers, contractors, and service providers. This helps to strengthen relationships, enhance understanding, and identify opportunities for improvement. It also enables CPCL to address any challenges or issues promptly, ensuring that the services provided meet the required standards.

CPCL has implemented the Integrity Pact (IP) system, initiated by Transparency India International, to ensure transparency in the procurement process for high-value items and the award of high-value contracts. The IP system is a tool designed to prevent corruption, enhance integrity, and promote transparency in procurement processes. CPCL has set a threshold limit of INR 75 lakhs (excluding GST) for the implementation of the IP system. Additionally, in cases where the tender estimate is below INR 75 lakhs (excluding GST), but the corresponding contract award value exceeds this threshold, CPCL has extended the IP requirement to ensure transparency in those cases as well. Further, for tenders wherein the estimate value is less than INR 75 lakhs (excluding GST), voluntary submission of IP is sought from the bidders.

The procurements made from the MSE Vendors work out to 38.96 % of the total procurements made during the financial year 2022-23, which is higher than the 25% target set by the Government. The procurement percentage of 38.96% from MSE Vendors include 6.05% (INR 57.83 Crore) procured from the enterprises owned by SC/ST Entrepreneurs against the sub-target of 4% and 0.22% (INR 2.11 Crore) procured from the enterprises owned by Women Entrepreneurs against the sub target of 3% earmarked in the Government order.

Directly sourced from MSME's/ Small producers

38.96%
FY 2022-2023

25%
Mandated Target

Sourced directly from within the district and neighbouring districts

44.53%
FY 2022-2023

12.18%
FY 2021-2022

We at CPCL participate regularly in Vendor Development Programmes, in collaboration with the Ministry of Micro, Small and Medium Enterprises (MSME) and National Small Industries Corporation (NSIC), showcasing our commitment in nurturing and supporting MSEs. We believe that these programs provide a platform for MSEs to showcase their products and services, interact with potential buyers, and explore procurement opportunities.

Furthermore, Identifying and supporting MSE entrepreneurs owned by SC/ST entrepreneurs and women entrepreneurs is an important step towards promoting diversity and inclusivity in business. By creating avenues for these entrepreneurs to access procurement opportunities and engage with CPCL, barriers are reduced, and their entrepreneurial capabilities are given a platform for growth and success.

MSME Vendor Development Programme

Corporate Social Responsibility

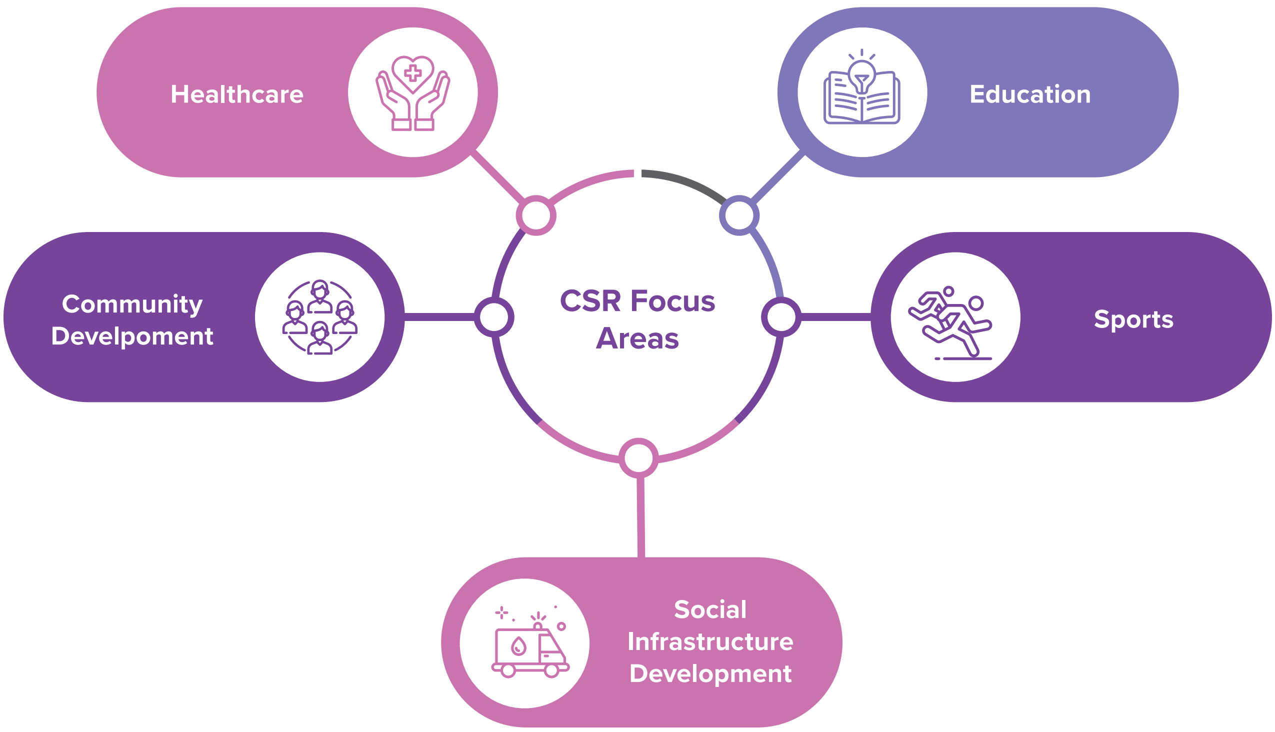
At CPCL, we recognize the importance of Corporate Social Responsibility (CSR) as a vital function in contributing to sustainable development and nation-building. We demonstrate a proactive approach to engaging with stakeholders and addressing their concerns, which can lead to stronger relationships and trust. CPCL believes that by aligning business practices with social and environmental goals, the company can actively work towards creating positive impacts in areas such as poverty alleviation, education, healthcare, environmental conservation, and social equity. By focusing on sustainable practices and social impact, we aim to build resilience and remain relevant in an evolving business landscape.

The approach outlined by CPCL aligns well with the principles of responsible corporate citizenship. By adopting a multi-disciplinary approach and focusing on various key areas, the company aims to make a positive impact on economic and social conditions, promote self-sustainability of CSR projects, prioritize environmental sustainability, provide leadership in CSR initiatives, and build a reputation as a responsible corporate citizen.

The CSR committee at CPCL is headed by an Independent Director. The committee formulates the Corporate Social Responsibility (CSR) Policy that outlines the company's obligations as a corporate citizen. Additionally, A CSR Project Identification Committee is present at CPCL, headed by HR senior official. The committee is responsible for identification of CSR projects by carrying out Needs Assessment, recommending annual budget to the CSR projects and maintaining an overall track of the identified CSR projects.

The CSR committee has identified specific focus areas for implementing CSR activities for maximizing positive impact and for improving the quality of life in the neighbourhoods surrounding major operating locations.

In the last financial year, despite the mandated CSR budget being Nil, an amount of INR 604.13 lakhs was spent for sustaining our ongoing CSR projects.



Reaching Communities through Healthcare

1. Community Health Centre, Manali

We at CPCL take pride in our commitment to provide free medical care and health check-ups to the local communities. This is done through the operation of a health clinic in the Manali area which has been in operation for over ten years. This initiative has been undertaken as an ongoing partnership between CPCL and Wockhardt Foundation and exemplifies the commitment of both the partners for providing essential healthcare services and underscores the importance of collaboration in addressing healthcare challenges. The clinic is comprehensive in the care it provides. A Dental clinic, a Vision Centre, a physiotherapy centre, and a clinical laboratory which are part of this clinic, have been benefitting thousands of residents of North Chennai every year.

2. Free Eye Camp – November 2022, Manali and Tiruvottiyur

The programme to offer complete eye care services to North Chennai citizens began in 2006. All eye conditions are treated by CPCL in collaboration with medical professionals from M/s. Sankara Nethralaya Medical Foundation. Free spectacles for 235 persons given and 66 cataract operations were done free of cost.

Ophthalmologist from M/s. Sankara Nethralaya Medical Foundation provided thorough eye examinations, which included refraction errors detection, fundus examination and specialist consultation through tele-ophthalmology.

3. Mobile Medical Units, Manali, Nagapattinam, Ramanathapuram

CPCL recognized that the medical needs of the underserved sections of the society require special attention. Care would often have to be taken to the patients' doorstep rather than the patient visiting a health care facility. With this objective in mind, CPCL has purchased and has been operating two mobile medical units (MMUs) from 2018. An emergency medical technician and a nurse are available along with the mobile medical units, which are furnished with emergency medical supplies.

The Mobile Medical Unit offers the necessary medical facilities for the locals as it travels around the various neighbourhoods in Manali, Nagapattinam, and Ramanathapuram. These include educating the public about geriatric care for the elderly and providing preventative healthcare, curative medicines, medical checkup facilities, need-based referral, and diagnostic services.

Each quarter, these mobile medical units provide care for more than 10,000 patients.

Ramanathapuram was identified as one of the locations for rolling out this initiative (even though CPCL does not have any operations in this district) as it has been identified as an 'Aspirational district' by the Government of India and CPCL as a responsible corporate strives to bring about development where it is needed most.

4. COVID Care Centre at Manali

CPCL collaborated with Greater Chennai Corporation to establish a Covid Care Centre within CPCL premises. An average of 25 patients per day were accommodated in the facility. With this effort, CPCL contributed to relieving the burden on the healthcare system and ensured that patients received the necessary care during the pandemic. CPCL continues to maintain the 60-bedded facility at the R&D Building, extendable to a 300-bedded facility. This has been done with foresight and to facilitate preparedness for any potential future situations, indicating our proactive approach to managing critical health concerns.

Our support during Covid 19 – Setting up PSA Plants

The COVID-19 pandemic has had a profound and devastating impact on individuals, communities, and societies worldwide. It has resulted in the loss of numerous lives, caused significant disruptions and left lasting effects that continue to be felt. National healthcare systems faced immense strain and challenges during the pandemic. With an overwhelmed patient influx and shortage of medical supplies, hospitals and healthcare workers were in a dire need to adapt quickly to evolving circumstances.

Pressure Swing Adsorption (PSA) plants play a vital role in producing medical-grade oxygen, which is essential for the treatment of COVID-19 patients and other medical emergencies.

CPCL showcased the company's commitment to supporting the healthcare system during a critical time. Using our technical expertise, as a proactive response to the COVID-19, we set up an in-house Industrial Oxygen facility that meets the Medical Oxygen Specification. CPCL established three 500 LPM PSA plants and three 1000 LPM Plants in Southern India.

6 Nos'. PSA plants were erected as part of this programme in government hospitals in Southern India. The effort from CPCL came at an optimal time, and it exceptionally benefited the hospitals. Over 15,000 patients received benefits from the effort, which saved lives and supported hospitals with significant cost savings.

This initiative also achieved localized oxygen production whereby reducing the dependence on centralized sources and helped overcome logistical challenges, such as transportation and distribution, especially during times of crisis.

In the long-term, PSA plants have benefits beyond the immediate crisis. They can continue to serve healthcare needs even after the pandemic, contributing to the resilience of healthcare infrastructure in the regions where they are established. By investing in oxygen infrastructure, CPCL achieved a tangible positive impact on the lives of people.

5. Supply of diagnostic equipment

In the FY 2022-23, CPCL donated an advanced ultrasound machine and an advanced ultrasound-cum-echo machine to the Stanley Medical College and RSRM Lying-in-hospital in Royapuram, Chennai. This contribution of medical equipment worth Rs 50 lakh demonstrates CPCL's commitment to supporting healthcare institutions and improving access to advanced diagnostic tools for patients.

CPCL Polytechnic College

With the objective of providing education that supports employment needs, CPCL started a Polytechnic College in the year 1988.

CPCL Polytechnic College is committed to provide engaging learning opportunities and preparing students for their future responsibilities in society. By offering a diverse range of stimulating environments for intellectual development, independent thinking, and personal growth, the institution ensures that students receive a well-rounded education. This approach enables students to not only acquire academic knowledge but also develop essential life skills and cultivate a sense of social responsibility.

Polytechnic College currently offers Diploma courses in Mechanical Engineering, Electronics and Communication Engineering and Petrochemical Engineering with a sanctioned intake of 60 students in each branch. A total of 515 (Boys:493, Girls: 22) students are benefitted within the locality of North Chennai. The Polytechnic College boasts several notable features and facilities including well established Laboratories and workshops as per AICTE/DOTE regulations and a library with around 7000 volumes, six national journals and educational CD's

By equipping our Polytechnic College graduates, we at CPCL demonstrate a commitment to nurturing talent and supporting the professional growth of its students. The employment of 112 personnel from the institution over the years further highlights the success and recognition of CPCL Polytechnic's programs in producing skilled and capable individuals. In FY 2022-23, the placement percentage was 97%.

The polytechnic college is the first BSI Certified ISO 21001:2018 Polytechnic college in Tamil Nadu with more than 4000+ beneficiaries over the past three decades.

6. Collaboration with Namma School Foundation

In collaboration with Namma School Foundation, CPCL is making a significant contribution to improving sanitation facilities for students in Manali, Tiruvottiyur, Minjur, and North Chennai. CPCL's initiative covers 25 schools located in these localities.

By focusing on the maintenance of school restrooms, CPCL addresses an essential aspect of infrastructure development in educational institutions. Access to clean and functional restrooms promotes better hygiene practices, reduces health risks, and creates a more comfortable and dignified learning environment for students.

Village Adoption at Nagapattinam

Infrastructure plays a vital role in facilitating economic growth and improving living conditions. Supporting the development of local infrastructure, such as roads, transportation systems, utilities, and community spaces, can enhance connectivity, attract investments, and improve the overall quality of life for community members. Optimum utilisation of local intellectual skills facilitates overall societal and economic development on one hand but also enhances the financial stability of these residents, on the other. CPCL believes that supporting access to social services and resources can help uplift communities. This can involve initiatives like establishing community centres, schools, recreational facilities, and support networks for vulnerable populations. By providing these resources CPCL aims in creating a sense of belonging and improve the social fabric of the community.

On the above lines, CPCL has adopted five villages namely Gopurajpuram, Vellalapakkam, M Panangudi S.Panangudi, and T. Panangudi in Nagapattinam district of Tamil Nadu with a combined population of around 11,200 people. Our new Cauvery Basin Refinery (CBR) of 9 MMTPA capacity is being constructed in Nagapattinam district. CPCL intends to develop local communities by enhancing the day-to-day life of residents of such communities and to provide employment opportunities to the youth population of Nagapattinam.

CPCL along with the technical expertise of the Indian Institute of Technology (IIT), Madras, adopted a comprehensive approach towards community development. Following are significant initiatives that have been rolled out as part of this program.

- To foster social cohesion, strengthening community bonds and promote collective participation, a community hall was constructed at a budget of INR 50 lakhs to provide a dedicated space for community gatherings, meetings, cultural events and social activities.
- For addressing sanitation and environmental concerns, 432 wastewater treatment facilities were installed at a budget of INR 1 crore for water treatment and purification.
- For providing access to quality education, nutritional support and creating a nurturing environment for young children and to positively impact their future, we initiated the construction of a school (200 students) and two Anganwadis (childcare centers) at a budget of INR 60 lakhs
- Towards access to proper sanitation facilities for prevention of spread of diseases and enhancing the overall well-being, 462 household toilets and septic tanks were provided at a budget of INR 4 Crore.
- The revitalization and rehabilitation of water bodies contribute to water conservation, ecosystem restoration, and availability of water resources for domestic needs and revenue generating activies. 17 water bodies were rejuvenated at a budget of INR 3.5 Crore.

The project implementation was completed in 2022 and demonstrates a holistic approach to community development, focusing on education, sanitation, health and infrastructure.

Community Engagement

1. Mission Manali

We at CPCL, sternly believe that afforestation projects play a crucial role in combating climate change, preserving ecosystems, and creating a sustainable environment for future generations. CPCL collaborates with the Manali Industrial Association and their joint initiative, Mission Manali, which integrates sustainability into entrepreneurial strategies. By prioritizing sustainability, CPCL and the association are working towards long-term prosperity and making a positive impact on the environment. Mission Manali targets planting 10 lakh trees across approximately 500 acres of land, a substantial contribution to increasing green cover, enhancing biodiversity, and mitigating the effects of deforestation.

In FY 2022-23, CPCL engaged in the plastic pollution prevention drive to promote responsible plastic usage and finding sustainable alternatives. Plastic pollution is a significant environmental concern, and by actively supporting initiatives to address this issue, CPCL is contributing to a cleaner and healthier environment.

As a part of the initiative, CPCL contributed more than 10 'Manjapai' vending machines for public use through the Manali Industries Association (MIA). Manjapai refers to yellow cloth bags that are eco-friendly alternatives to single-use plastic bags. By providing these vending machines, CPCL encourages the use of reusable cloth bags and promotes a culture of sustainable packaging and shopping practices among the public.

2. Swachh Bharat Abhiyan

CPCL contributes to the larger goal of creating a clean and hygienic India through the Swachh Bharat Campaigns. The campaign aims to improve sanitation infrastructure, promote cleanliness practices, and raise awareness about the importance of cleanliness and hygiene. As a part of the campaigns, CPCL actively participates in Swachhatha Drive and Swachh Pakhwada through various activities such as construction and maintenance of toilets, as well as the procurement and distribution of sanitary items to students in nearby schools.

Awards & Recognition

- In 2022, CPCL received Appreciation award from Greater Chennai Corporation for the exemplary work in "People's Movement for Clean Cities, 2022"
- The Mahatma Award - CSR Excellence Award aims to acknowledge impact leaders and change makers globally, emphasizing their remarkable efforts in the field of CSR. In FY 2022-23, CPCL was conferred with the prestigious Mahatma Award 2022 for excellence in CSR activities. By acknowledging impact leaders and change makers across the globe, Mahatma Award – CSR Excellence 2022 shines a spotlight on CPCL's remarkable contributions and encourages others to embrace their own potential for making a positive difference in the world.
- We bagged the MSME Ecosystem Award 2021 under "Excellence in MSE procurement" category by FICCI-CMSME. We were awarded due to our efforts in corroborating 52% procurement from MSEs out of the total procurement made in FY 21-22, as against the minimum stipulated 25% by the Govt of India. A plethora of awareness programmes with vendors were conducted detailing the Government policies and preferences for MSE vendors. We were also appreciated for our increase in MSE procurement from 42% in the previous year.
- CPCL received "Certificate of Appreciation" from Ministry of MSME due to our sustained efforts in procuring 8.86% of total procurements against the target of 4% from MSE SC-ST Entrepreneurs during the financial year 2021-22. The total procurement from SC-ST MSE's is Rs.58.06 Crore out of the total procurement of Rs.655.06 Crore in FY 2021-22.
- CPCL Polytechnic college was conferred the Top Polytechnic College of the year 2020, Tamil Nadu Award under "Quality Education and Youth Empowerment" Category for the year 2020.

Natural Capital

Management Approach

Environment wellbeing is a crucial pillar of sustainable development and CPCL believes that the evolving global challenges including human-induced climate change, extreme weather events, water stress and rising mean sea levels are a threat to economic growth and prosperity of the nations, corporates, and individuals alike. CPCL has been conscious about maintaining a minimal environmental footprint since its inception. CPCL has integrated environmental protection, safety, and health principles into its management system to ensure long-term sustainable growth. Several of the initiatives undertaken by the company are 'first ever' in the industry and the company has been making continuous strides in water and energy stewardship, setting an example for the industry to follow.

Key Highlights

18.85 MW Renewable Energy Installations (17.6 MW - windmill, 1.25 MW Solar)

1st to adopt **Sea Water Desalination** technology for **refinery operations**.

No freshwater consumption in production process

39,600 tree plantations past 5 years

32,576 Lights replaced with energy saving **LED** in past 5 years

Asia's 1st Sewage Reclamation Plant

Material Topics

- Climate Change Risk Mitigation
- Water Stewardship
- Energy Efficiency and Conservation
- Waste management

Natural Capital impact on other Capitals

Financial Capital

- Achieving lower operational costs using efficient resources.

Manufactured Capital

- Achieving efficiency in manufacturing through implementation of energy efficiency initiatives
- Adopting clean technologies.

Intellectual Capital

- Implementing the latest innovation and achieving the desired resource efficiency.
- Pioneering initiatives like Sewage Treatment, Sea Water Desalination, Replacing internal fuel consumption Furnace oil with cleaner energy fuel like RLNG.

Human Capital

- Emission management in refinery operations to mitigate the health concerns caused by presence of chemicals in the air.

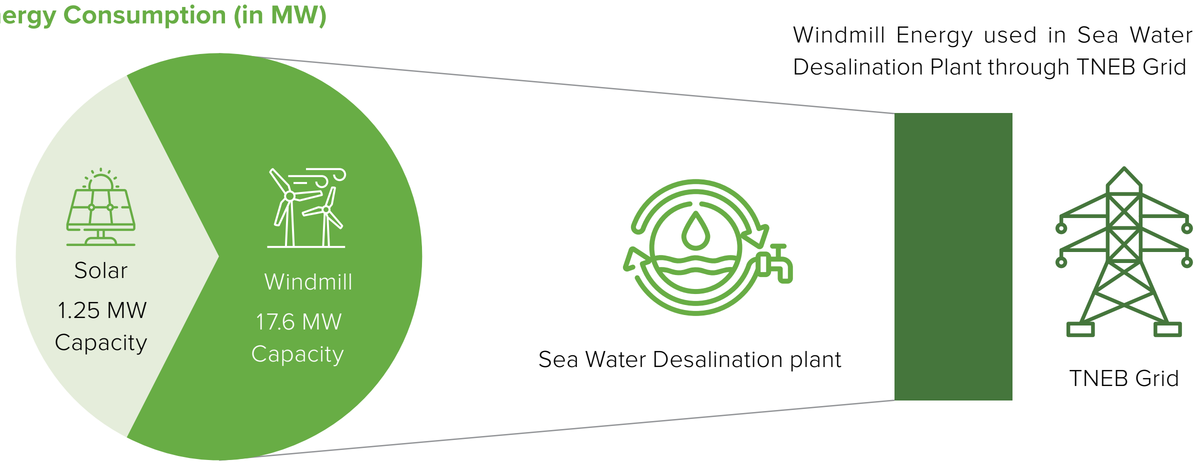
Social & Relationship Capital

- Adopting cleaner, greener and sustainable measures to improving the livelihood of the communities.
- Paving way for renewable energy source towards a sustainable tomorrow for future generations.

Energy Management

In the refining industry energy is a major resource essential for the operations. Understanding our consumption patterns is crucial for us to better manage our energy resources and take proactive measures to conserve the same. This helps us lower our carbon footprint and also reduce operational expenditures, thereby enhancing corporate sustainability and minimizing risks associated with the changing regulatory paradigms around energy.

Energy Consumption (in MW)



Parameter	FY 2022-2023	FY 2021-2022
Total electricity consumption (A) (GJ)	1,78,87,140	1,76,50,152
Total fuel consumption (B) (GJ)	2,08,12,126	1,66,62,690
Energy consumption through other sources (C) (GJ)	-	-
Total energy consumption (A+B+C) (GJ)	**3,86,99,266**	**3,43,12,842**
Energy intensity per rupee of turnover (Total energy consumption/turnover) (GJ per Rs Cr turnover)	425.6	568.1

Renewable Energy (FY 2022-23)

85 MW
Electricity from **Solar**

25,383 MW
Electricity from **Wind**

Imported Energy (FY 2022-23)

16,935 MW
Electricity Imported from **TNEB Grid to Refinery**

CPCL implemented 28 energy conservation initiatives achieving a reduction of 14, 516 SRFT equivalent to 6,07,349 GJ in FY 2022-23.

As a result of these energy conservation initiatives, the organization has experienced benefits in terms of fuel loss reduction in the refinery and an improvement in the efficient gross refining margin. With these initiatives, CPCL has been able to reduce the amount of fuel consumed during the refining process, leading to more efficient operations and improved profitability.

Investing in Alternate Energy Sources

CPCL has been an early-adopter of renewable energy. Situated in Tamil Nadu, a state that is bestowed with substantial potential for generation and use of solar and wind energies, CPCL has been proactively making significant investments in suitable renewable energy sources since many years. In 2007, after extensive studies, CPCL installed 22(each 800 kW) Windmills with an installed capacity of 17.6 MW at Pushpathur, Tamil Nadu. Currently, under the wheeling agreement with the Tamil Nadu Electricity Board, the electricity generated by these windmills is used partially in our desalination plant and the remainder is utilised in our refinery. These wind turbines produced 25.76 million units of energy in 2022–2023 at CUF of 17 % installed capacity. The successful adoption of wind power was followed by our foray towards tapping solar energy and aligning with the ambitious targets set by the Government of India on transitioning towards cleaner and sustainable energy sources. The cumulative installed capacity of solar roof top installations is 1.25 MW as of Mar '23 at our Manali refinery. Further, we have initiated measures for the installation of an additional 1.04 MW capacity rooftop solar power. A detailed feasibility study was conducted to access the potential of solar power in the existing windmill locations at Pushpathur. The study determined that the feasible solar capacity under the wind turbines' land parcels ranges from 100 kW to 400 kW. Taking into account shadow effects throughout the year, it was concluded that 12 out of the 22 locations are suitable for solar PV installations. The cumulative capacity of the 12 suitable locations for solar PV installations amounts to 2640 kWp (kilowatt peak under ideal conditions). Efforts are on to tap this potential.

RLNG Conversion: With a focus on lowering GHG emissions from operations, CPCL has been adopting technological modifications to accommodate cleaner fuel. Process heaters, gas turbines and boilers have now been retro-fitted to use RLNG in the place of furnace oil. This conversion has helped avoid emissions of about 60,000 MT CO_2 per annum, on account of RLNG being a cleaner fuel with lesser GHG emissions for an equivalent amount of energy generated viz-a-viz furnace oil.

Energy Conservation

In line with the norms established by the Ministry of Petroleum and Natural Gas, CPCL undergoes a third-party energy audit once every 4 years. This serves as an opportunity to identify energy conservation measures in addition to those that are actively identified by our in-house teams. Such opportunities identified are categorized and prioritized based on the potential benefits and implemented in a time bound manner, closely monitored by our Senior Management. A detailed Energy Audit was carried out in 2023. In FY 2022-23, CPCL has implemented 28 energy conservation projects to achieve significant energy savings. Some of such projects are listed below:

Condensate Recovery in Refinery III - 1,100 SRFT acheived

Heater duty reduction in DCU by preheater improvement by 10 degrees - 2,017 SRFT achieved

Avoiding FG flaring by provision of additional interconnection of FG header between Refinery III and I - 1,025 SRFT acheived

Replacement of conventional well glass fittings with LED fittings - 1,769 SRFT achieved

PAT Scheme

The Perform, Achieve and Trade (PAT) scheme is a market-based mechanism implemented under the National Mission for Enhanced Energy Efficiency (NMEEE) and piloted by the Bureau of Energy Efficiency (BEE) in India. The scheme aims to enhance cost-effectiveness by certifying and facilitating trading of energy savings achieved over and above predetermined targets in energy-intensive industries. The primary objective of the PAT scheme is to reduce specific energy consumption (MBN) in energy-intensive large industries. MBN refers to the amount of energy used per unit of production. By improving energy efficiency, the scheme encourages industries to minimize their energy consumption and reduce their environmental impact. Plants that surpass their energy-saving targets and achieve excess energy savings are eligible to receive Energy Saving Certificates (ESCerts). These ESCerts act as tradable instruments that represent the verified and certified energy savings. They can be traded on designated platforms or exchanges.

CPCL has successfully achieved the energy-saving targets set under PAT Cycle-II (2016-2019) and earned 20,833 ESCerts certified by the Bureau of Energy Efficiency (BEE). These ESCerts are being traded on the IEX (Indian Energy Exchange) platform since 2023, enabling the recognition and monetization of the incremental energy savings.

Sea Water intake facility for Desalination Plant

Torchbearer in Water Sustainability

Chennai Petroleum Corporation Limited (CPCL) has been at the forefront of adopting innovative and sustainable practices for water utilization. The practices started in 1992, with the commissioning of Asia's 1st 11.4 MLD sewage reclamation plant by CPCL which caters 40% raw water requirement. The sewage reclamation plant serves as a crucial solution to address the growing concerns of wastewater treatment, allowing CPCL to minimize its environmental impact while maximizing the efficient utilization of water resources. In 2006, tertiary cum reverse osmosis plant was commissioned to treat the additional requirement. These two facilities created RO permeate (high-quality) water from the sewage by processing an average of 5.0 MGD of municipal sewage, which is otherwise regarded as wastewater. Utilising recovered water led to significant reductions in chemical use in DM plants of captive power stations, reductions in raw water intake to refineries, and water conservation for drinking water supplies.

in 2009, CPCL commissioned 26.4 MLD Desalination Plant at Kattupalli, recognizing the need for an alternative water source and reducing dependency on freshwater. Located approximately 17 kilometres away from the CPCL Manali refinery, the plant has been instrumental in meeting the increasing water requirements of the refinery operations. By leveraging seawater as a resource, CPCL has significantly reduced its freshwater consumption, mitigating the strain on local freshwater supplies.

CPCL's desalination plant boasts cutting-edge technology and processes to ensure the efficient treatment and purification of seawater.

CPCL's desalination plant has numerous environmental benefits. By reducing freshwater consumption, the plant helps conserve precious natural resources and reduces the strain on local freshwater ecosystems. CPCL's desalination plant stands as a pioneering effort in the oil refinery industry, not only in India but also globally. By becoming the first refinery in Asia to utilize desalinated seawater, CPCL has set a remarkable example for sustainable water management. The success of the plant has encouraged other industries and organizations to explore similar solutions, ensuring a more sustainable future.

CPCL's desalination plant serves as a testament to the company's commitment to environmental stewardship and sustainable practices. By harnessing the power of advanced technology and innovative thinking, CPCL has revolutionized water management in the refinery industry. The plant's ability to provide a reliable and high-quality water supply, while reducing freshwater dependency, sets a benchmark for other organizations to follow. CPCL's desalination plant showcases the potential for industrial growth and environmental sustainability to coexist harmoniously.

Parameter	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	Nil	Nil
(iii) Third party water	75,11,080	75,33,513
(iv) Seawater / desalinated water	45,23,954	47,98,751
(v) Others (Rainwater storage)	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**1,20,35,034**	**1,23,32,264**
Total volume of water consumption (in kilolitres)	**1,20,35,034**	**1,23,32,264**
Water intensity per rupee of turnover (Water consumed / turnover) (kl per crore INR of revenue)	132.4	204.2

Emissions

CPCL has implemented its proprietary Process Safety Performance Indicator (PSPI) to evaluate operational safety internally. This Indicator incorporates parameters such as abnormal pressure and temperature changes, emissions of So2, Nox, RPM, SPM, and ambient air quality to ensure compliance. The PSPI system captures daily readings at 2-hour intervals using PIN, focusing on key production process criteria, and identifying any deviations. Collected data is regularly reviewed, and appropriate actions are taken promptly.

Parameter	Please specify unit	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
NOx	Tonnes	2.55	3.19
SOx	Tonnes	7.73	6.12
Particulate matter (PM)	Tonnes	1.28	1.08
Persistent organic pollutants (POP)	NA	Nil	Nil
Volatile organic compounds (VOC)	MT	21.99	23.99
Hazardous air pollutants (HAP)	mg/m3	-	-
Others – please specify	PPM	-	-

We examined and recorded all our Scope 1, Scope 2 & Scope 3 emissions during the reporting period. According to GHG protocol, we compute our emissions, and important variables come from the Intergovernmental Panel on Climate Change.

Parameter	Unit	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Total Scope 1 emissions	tCO_2e	29,04,386	24,81,857
Total Scope 2 emissions	tCO_2e	13,646	598
Total Scope 1 and Scope 2 emissions	tCO_2e	29,18,032	24,82,455
Total Scope 1 and Scope 2 emission intensity	tCO_2e/Cr	**32.1**	**41.1**

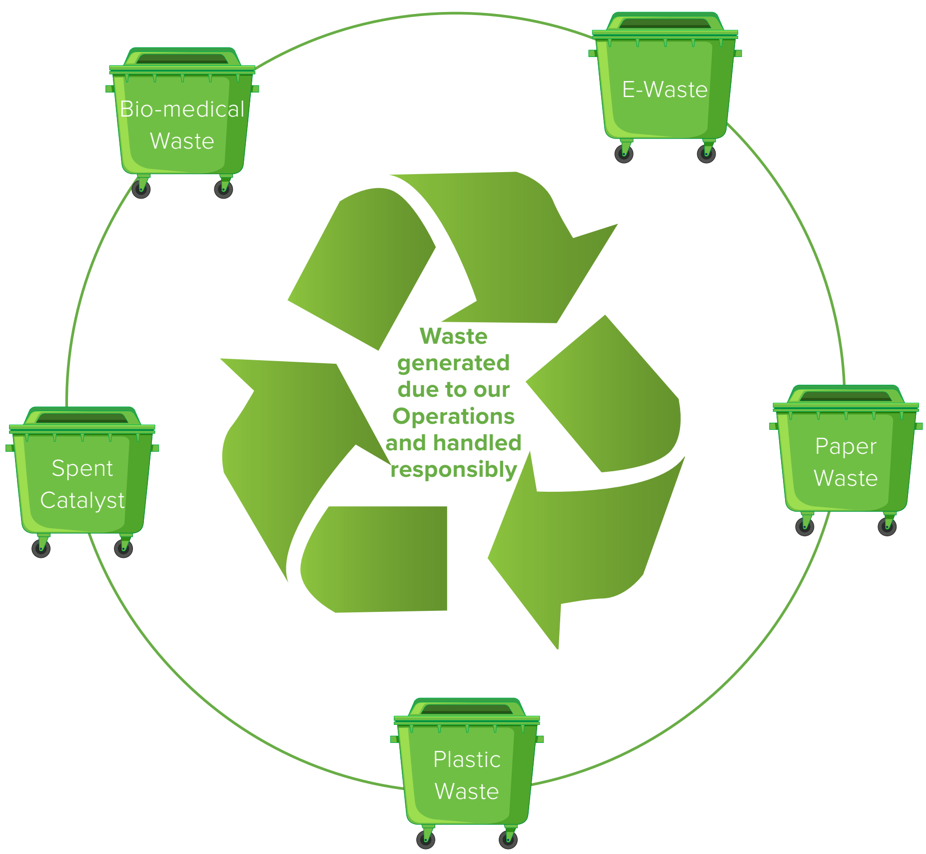
Parameter	Unit	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	MMT of CO_2 equivalent	37.1	29.2
Total Scope 3 emissions per rupee of turnover	tCO_2e/Cr	**409**	**484**

CPCL emphasizes on the importance of monitoring air contaminants in line with MINAS and National Ambient Air Quality Standards. To achieve this, AAQM Stations are strategically positioned throughout the refinery, enabling continuous monitoring of ambient air quality within the facility. These stations also provide valuable weather data to prevent potential disasters. The data collected from these stations is transmitted in real-time to the Tamil Nadu Pollution Control Board's Care Air Centre, the statutory organization responsible for monitoring air quality in industrial regions. Additionally, CPCL operates a Mobile Continuous Ambient Air Quality Monitoring Station, which assesses emissions and weather parameters in and around the Manali Refinery.

Waste Management

With a strong emphasis on ethical trash disposal methods to reduce any negative environmental effects and to guarantee effective waste management across all its activities, the company adheres to strict norms and laws. Wastes are segregated as Hazardous & Non-hazardous in CPCL. Hazardous Wastes are disposed in line with Hazardous And Other Wastes (Management and Transboundary Movement) Rules, 2016. Non-Hazardous wastes are disposed to recyclers for safe disposal. To deal with the many wastes produced during its refining activities, CPCL employs a variety of waste treatment facilities and procedures.

- For solid waste, CPCL utilises methods such as incineration, landfilling, and recycling, depending on the type of garbage and if it can be recycled.
- Effluent Treatment Plants (ETP) and other specialised techniques thoroughly treat liquid waste, including wastewater and effluents. Before being discharged or reused, the wastewater must comply with environmental regulations, which are achieved by these treatments that attempt to eliminate toxins and dangerous compounds.



In addition to the effluents, solid waste is also generated in the refinery process. An effective solid waste management is devised to enable proper disposal or reuse of the waste generated. Hazardous waste generated are

- Oil Sludge
- Spent Catalyst – Recyclable and Non – Recyclable

Following below are the methods adopted for the same disposal of the hazardous waste.

- Oil sludge is mechanically processed to extract the oil from the sludge, and then it undergoes bioremediation to become landfill safe.
- Spent Catalyst may have some traces of valuable metals, which are sent to authorised recyclers for their extraction.
- Additionally, CPCL assures the correct treatment of any extra hazardous wastes by transporting them to the designated Hazardous Waste Treatment, Storage, and Disposal Facility located in Gummidipoondi.

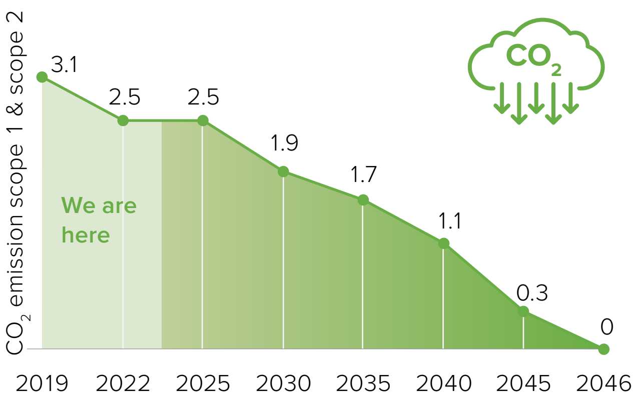
Towards Net-Zero by 2046

We have taken an ambitious goal of becoming a Net-Zero Carbon emitter by 2046.

To this end, the following activities are being undertaken/ planned to be undertaken.

- Imbibing Energy Efficiency across all spheres of Operation
- Fuel Switching to RLNG up to 1.5 MMSCMD by 2025
- Switching to Hybrid Renewable Power up to 6 MW
- Afforestation of additional 120 acres
- Production and Utilization of 100 % Green Hydrogen
- Replacement of Natural Gas with alternate fuels, like Compressed BioGas, Green H2 by 2040
- Securing Carbon Credit for “Hard to Abate Emissions”

Net-Zero by 2046 (in MMT CO_2)



Afforestation

- 112 acres of Green Belt developed inside Manali Refinery, Polytechnic and Desalination plant
- 40 acres of Green Belt developed in Amullavoyal land owned by CPCL with the assistance of Tamil Nadu Forest Department
- CPCL joined hands with Tamil Nadu Green Mission mooted by Government of Tamil Nadu in Sept’22 and contributed Rs 15 lakhs towards plantation of trees
- Total CO_2 reduction achieved: 670 MT/Annum
- As a part of CBRPL Project, 436 acres of Green Belt with more than 2.5 Lakhs trees is proposed to be developed.


Operations in hand with Nature

Chennai Petroleum Corporation Limited

(A Government of India Enterprise and A group company of IOCL)

Regd. Office: 536, Anna Salai, Teynampet, Chennai 600 018.

Website: www.cpcl.co.in; Email id: shankarp@cpcl.co.in/investors@cpcl.co.in

Tel: 044-24349833 / 24346807

CIN: L40101TN1965GOI005389

NOTICE

Notice is hereby given that the 57th Annual General Meeting of the members of CPCL will be held on Tuesday, the 22nd August, 2023 at 03:30 PM through Video Conference (VC)/ Other Audio Visual Means (OAVM), to transact the following businesses. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company at No.536, Anna Salai, Teynampet, Chennai- 600018, which shall be the deemed venue of the AGM.

Ordinary Businesses:

1. To receive, consider and adopt the Audited Financial Statement of the Company (Standalone and Consolidated) for the period from 1st April 2022 to 31st March 2023, together with the Directors' Report and the Auditor's Report.

2. To declare dividend on Preference Shares for the year 2022-23.

3. To declare dividend on Equity Shares for the year 2022-23.

4. To appoint a Director in place of Ms.Sukla Mistry (DIN:09309378), who retires by rotation and being eligible, offers herself for reappointment.

5. To appoint a Director in place of Mr.H.Shankar (DIN:08845247), who retires by rotation and being eligible, offers himself for reappointment.

Special Businesses:

6. Appointment of Mr. Rohit Kumar Agrawala (DIN: 10048961) 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.Rohit Kumar Agrawala (DIN 10048961) who was appointed as an Additional Director and designated as Director (Finance) by the Board of Directors with effect from 01.03.2023 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."

7. Appointment of Mr. K. Surendaran (DIN: 10091005) as an Independent Director

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

"RESOLVED that pursuant to the provisions of Section 161(1), 149 and 152 and other applicable provisions of the Companies Act 2013 read with Rules made thereunder including any statutory modifications or re-enactment thereof for the time being in force, the Articles of Association of the Company and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Mr.K.Surendaran (DIN: 10091005) who was appointed as an Additional Director and designated as an Independent Director by the Board of Directors with effect from 27.03.2023 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a period of 3 years from the date of appointment by the Board, not liable to retire by rotation."

8. Approval for Material Related Party Transactions with Cauvery Basin Refinery and Petrochemicals Limited, a Joint Venture Company of CPCL, for the year 2023-24 and 2024-25

To consider, and if thought fit, to pass the following resolutions as Ordinary Resolutions:

"RESOLVED THAT pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), other applicable laws, and amendments, modifications or re-enactments thereof, if any, and the policy on 'Materiality of related party transactions and on dealing with related party transactions' of the Company, as may be applicable, consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as "Board", which term shall include any duly authorized Committee constituted / empowered by the Board, from time to time, to exercise its powers conferred by this resolution), for continuation(s) or extension(s) or renewal(s) or modification(s) of earlier arrangements / transactions or as a fresh and independent transaction(s) or otherwise, whether entered into individually or taken together with previous transactions with Cauvery Basin Refinery and Petrochemicals Limited, a Joint Venture Company of CPCL, for financial year 2023-24 and 2024-25, notwithstanding the fact that all such transactions during the year 2023-24 and 2024-25 may exceed Rs. 1000 crore each, subject to a limit of 10% of the consolidated turnover of the Company of the preceding financial year."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers to any Committee of Directors and/or Director(s) and/or official(s) of the Company or to any other person(s) so authorized by it and to do all such acts, deeds, matters and things, the Board may in its absolute discretion deem necessary, including but not limited to finalizing the terms and conditions, methods and modes, finalizing and executing necessary documents, including contracts, schemes, agreements and such other papers, documents as may be required, filing any relevant documents and making representations, seeking all necessary approvals from relevant authorities, to give effect to aforesaid resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts, whatsoever that may arise without being required to seek further consent or approval of the members to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

9. Ratification of Remuneration of Cost Auditor for the year 2023-24

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.2,75,000 /-(Rupees Two lakh Seventy Five thousand only) plus applicable taxes and out of pocket expenses if any, to conduct the audit of cost accounts maintained by the company for the financial year 2023-24 payable to M/s.Madhavan Mohan & Associates, Cost Accountants, Chennai, the cost auditor of the company be and is hereby ratified"

10. Appointment of Mr. P. Kannan (DIN: 10250173) 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. P. Kannan (DIN 10250173) who was appointed as an Additional Director and designated as Director (Operations) by the Board of Directors with effect from 01.08.2023 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."

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

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

Date: 24.07.2023
Place: Chennai

Notes for e-AGM Notice:

1. Pursuant to the General Circular nos. 14/2020, 17/2020, 20/2020, 02/2021, 10/2022 dated 28.12.2022 & 11/2022 dated 28.12.2022 issued by the Ministry of Corporate Affairs ("**MCA**") and Circular no. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 & SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the Securities and Exchange Board of India ("**SEBI**") (hereinafter collectively referred to as ("**the Circulars**"), companies are allowed to hold AGM through VC/OAVM, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.

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

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

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

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

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

    Corporate / Institutional members are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email ID: lbandco.cs@gmail.com, with a copy marked to evoting@kfintech.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "CPCL, 57th Annual General Meeting".

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

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

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

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

9) The cut-off date shall be Wednesday, the 16th August, 2023 for the purpose of determining the eligibility of shareholders to participate in the 57th AGM.

10) A preference dividend of 6.65% on the paid up outstanding preference share capital of the Company, representing Rs.0.665 per preference share amounting to Rs.33.25 crore for the year 2022-23 will be paid to IOCL, as per the terms and conditions of the offer document.

11) The Board of Directors of the Company has recommended an equity dividend of 270% on the paid up share capital of the company corresponding to Rs.27.00 per share. The Company has fixed Friday, the 4th August, 2023 **as the 'Record Date'** for determining entitlement of members to receive the equity dividend for the year ended March 31, 2023, if approved, at the AGM. The dividend, once approved by the members in the AGM, will be paid to the eligible shareholders within the stipulated period of 30 days of declaration.

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

13) Members may note that the Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company is taxable in the hands of members. The Company shall therefore be required to deduct tax at source("**TDS**") at the time of making the payment of dividend. In order to enable us to determine the applicable TDS rate, members are requested to submit the relevant documents on or before **Monday, the 21st August, 2023**. The detailed communication regarding TDS on dividend is provided on the link: https://cpcl.co.in/investors/financials/exchange-intimations/. Kindly note that no documents in respect of TDS would be accepted from members after **Monday, the 21st August, 2023**.

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

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

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

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

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

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

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

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

19) As per the provisions of Section 124(5) & (6) of the Companies Act 2013, the dividends which remain unpaid/unclaimed for a period of 7 years is to be transferred to the Investor Education and Protection Fund. Accordingly, the Company has transferred all unclaimed dividend declared upto the financial year 2011-12, to Investor Education & Protection Fund (IEPF) established by the Central Government. Further, in respect of the shareholders, who have not claimed the dividend for the Financial Year 2015-2016 and all other Dividends declared by the Company for 7 consecutive years thereafter, the shares held by them are liable to be transferred to the IEPF. The Company has sent individual communication on 20.05.2023 to those shareholders at their latest available address. The Company has also uploaded the details of such shareholders along with details of shares due for transfer to IEPF on its website at www.cpcl.co.in. Shareholders are requested to refer to the web link https://cpcl.co.in/investors/share-holder-information/iepf/ to verify the details of the shares liable to be transferred to IEPF. It was also highlighted in the Annual Report 2021-2022 that as per Section 124 (6) of Companies Act, 2013 read with the Rules made there under all shares in respect of which dividend has not been claimed for 7 consecutive years or more shall be transferred by the company in the name of IEPF. The details of such shares i.e., shares transferred to IEPF were also hosted in the website of the Company www.cpcl.co.in.

20) The dividend for the financial year 2015-16, 2016-17, 2017-18 & 2021-22 which remains unclaimed for a period of 7 years would be transferred to the IEPF on respective due dates i.e. 06.10.2023, 23.09.2024, 23.09.2025 & 28.09.2029. The members, who have not encashed their dividend warrants so far, for the financial years 2015-16, 2016-17, 2017-18 & 2021-22 may write to the RTA, M/s. KFin Technologies Limited, Hyderabad or at the registered office of the Company for claiming the unpaid dividend.

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

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

22) A brief Resume of the Directors of Company, seeking appointment/re-appointment at this Annual General Meeting, and their expertise in specific functional areas, is given as part of the Notice of 57th Annual General Meeting.

The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and other relevant documents will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM **i.e. 22.08.2023**. Members seeking to inspect such documents can send an email to investors@cpcl.co.in / shankarp@cpcl.co.in / sriramas@cpcl.co.in.

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

However, as per "MCA Circulars" and SEBI Circular dated 12.05.2020, 13.01.2021, 15.01.2021, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those members whose email address is registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.cpcl.co.in and in websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFIN Technologies Ltd viz., www.kfintech.com.

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

1. Members may access the platform to attend the AGM through VC/OAVM at https://emeetings.kfintech.com by using their remote e-Voting credentials or by using their Registered Mobile number and OTP. The link for the AGM will be available in the Shareholder/Members login where the "EVENT" and the "Name of the Company" can be selected. Please note that the Members who have not registered their e-mail address or do not have the User-ID and Password for e-Voting or have forgotten the User-ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in this Notice. Further, Members can also use the OTP based login for logging into the e-meeting system.

   In order to login using the registered mobile number, Members should follow the instructions below.

   a) On the eMeeting webpage, use the Mobile OTP option.

   b) Select the Meeting / Name of the Company.

   c) Enter Registered Mobile Number.

   d) Click on Send OTP.

   e) Post validation, join by selecting the Folio.

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

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

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

5. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended

to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

6. Members who need assistance before or during the AGM, can contact RTA viz., M/s.Kfin Technologies Ltd. on e-voting@kfintech.com or Mr. Mohsin, Senior Manager, at 040- 67161562.

7. **AGM Questions prior to e-AGM:** Shareholders who would like to express their views/ask questions during the meeting may log into https://emeetings.kfintech.com/ and click on "Post your Questions" to post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that, member's questions will be answered only, if the shareholders continue to hold the shares as of cut-off date BENPOS. The posting of the questions shall commence on **Monday, the 14th August, 2023 and close on Thursday, the 17th August, 2023**.

8. **Speaker Registration during e-AGM session:** Members may log into https://emeetings.kfintech.com/ and click on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit. The speaker registration shall commence on **Monday, the 14th August, 2023 and close on Thursday, the 17th August, 2023.**

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

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

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

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

26) Remote e-Voting through Electronic Means

In terms of the provisions of section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and Regulation 44 of the Listing Regulations, the Company is providing facility of remote e-voting to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as **on Wednesday, the 16th August, 2023, being the cut-off date** fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by KFin or to vote at the e-AGM. Person who is not a member as on the cut-off date should treat this Notice for information purposes only.

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

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

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

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

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

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

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

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

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

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

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

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

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

xii. **Members can cast their vote online from 9.00 AM Friday, the 18th August, 2023 till 5.00 PM Monday, the 21st August, 2023**. Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked.

xiii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of https://evoting.kfintech.com or call KFin on 1800 309 4001 (toll free).

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
	3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Existing user who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi / Easiest the user will also be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KFINTECH, LINK INTIME, CDSL. Click on e-Voting service provider name to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration. 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

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

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

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

27) The voting rights of the members shall be in proportion to their shares in the paid up equity share capital of the Company, as on the cut-off date.

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

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

30) The Results on resolutions shall be declared within 48 hours of the conclusion of the e-AGM and the resolutions will be deemed to be passed on the e-AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.

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

32) Process for registration of email address for obtaining Integrated Annual Report for e-voting and updation of bank account mandate for receipt of dividend:

<table>
<tr><td>Physical Holding</td><td>
Physical shareholders are hereby notified that based on SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated March 16th, 2023, all holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite ISR form along with the supporting documents.
ISR 1 Form can be obtained by following the link: https://ris.kfintech.com/clientservices/isc/default.aspx
ISR Form(s) and the supporting documents can be provided by any one of the following modes.
a) Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or
b) Through hard copies which are self-attested, which can be shared on the address below; or
<table>
<tr><td>Name</td><td>KFIN Technologies Limited</td></tr>
<tr><td>Address</td><td>Selenium Building, Tower-B,</td></tr>
<tr><td></td><td>Plot No 31 & 32, Financial District,</td></tr>
<tr><td></td><td>Nanakramguda, Serilingampally,</td></tr>
<tr><td></td><td>Hyderabad, Rangareddy, Telangana, India - 500 032.</td></tr>
</table>
c) Through electronic mode with e-sign by following the link: https://ris.kfintech.com/clientservices/isc/default.aspx#
Detailed FAQ can be found on the link: https://ris.kfintech.com/faq.html
</td></tr>
<tr><td>Demat Holding</td><td>Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.</td></tr>
</table>

Statement Setting out the Material Facts Relating to the Special Businesses in Pursuance of Section 102 (1) of the Companies Act, 2013

Item No. 6

Mr. Rohit Kumar Agrawala, was appointed as an Additional Director with effect from 01.03.2023. As per the provisions of Section 161 of the Companies Act, 2013, Mr.Rohit Kumar Agrawala will hold office only upto the date of the 57th Annual General Meeting of the Company.

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

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

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

Item No. 7

Mr.K.Surendaran, was appointed as an Additional Director and designated as an Independent Director with effect from 27.03.2023. As per the provisions of Section 161 of the Companies Act, 2013, Mr.K.Surendaran will hold office only upto the date of the 57th Annual General Meeting of the Company.

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

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

The Company has received a declaration from Mr.K.Surendaran that he meets the criteria of independence as prescribed under Section 149(6) of the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr.K.Surendaran is not debarred from holding the office of Director by virtue of any order of SEBI / any other authority.

In the opinion of the Board, Mr.K.Surendaran fulfils the criteria of independence as specified in the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and is independent of the Management.

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

Item No. 8

As per Section 188 of the Act, Related Party Transactions (RPT) such as sale / purchase of goods or services, disposal or lease of property of any kind, appointment of any agent for purchase or sale of any goods, materials, services or property, appointment to an office of profit and underwriting the subscription of securities / derivatives of the Company, shall require prior approval of members, if transactions exceeded such sums, as prescribed. Further, such transactions are exempt from the requirement of obtaining prior approval of members, if they are in ordinary course of business and at arms' length.

Further, Reg. 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations) contains provision relating to prior approval of members for material related party transactions even if such transaction is in ordinary course of business and at arms' length.

As per Listing Regulations, an RPT with a Related Party (RP) shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs.1000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower.

CPCL undertakes transactions with its Related Parties (RPs) i.e. Joint Venture Companies in the ordinary course of its business for which approval of Audit Committee is obtained in compliance with extant provisions of the Act & Listing Regulations.

In view of the provisions of Reg.23 of Listing Regulations and further clarification provided by SEBI from time to time, prior approval of members for material RPT's will have to be taken on annual basis, if the transaction(s) to be entered into individually or taken together with previous transactions during the Financial years 2023-24 and 2024-25, exceeds Rs. 1000 crore each or 10% of the annual consolidated turnover of CPCL as per the last audited financial statements, whichever is lower.

Material RPT's with RP's during 2023-24 and 2024-25

As the expected value of the transactions with the RP's as mentioned at Item No. 8 is likely to exceed Rs.1000 crore each during the years 2023-24 and 2024-25, members' approval for the material RPT's is being sought. The Audit Committee and the Board of the Company have reviewed the material RPT and recommended seeking members approval for the same.

The summary of information required under the Listing Regulations w.r.t RPT's which are likely to exceed Rs. 1,000 Crore each during 2023-24 and 2024 - 25 and require approval of members is as under:

i.	Name of the RP	Cauvery Basin Refinery and Petrochemicals Limited (CBRPL)
ii.	Nature of Relationship	Joint Venture Company (JVC) of CPCL
iii.	Nature of Business	Setting up of 9 MMTPA Refinery at Nagapattinam, TamilNadu
iv.	Type of RPT's	- Investment in securities - Reimbursement of salary of employees on deputation / other expenses and overheads incurred - Sale/Lease of Property, Plant & Equipment (including but not limited to Land) together with associated Inventories, if any - Assignment of Contracts / Licenses etc., together with associated obligations
v.	Material Terms and Conditions	In line with prescribed terms and conditions.
vi.	Details of source of funds for equity investment	Internal accruals
vii.	a) Expected value of RPT for 2023-24	Rs.1100 crore
	b) Expected value of RPT for 2024-25	Rs. 1700 Crore
viii.	Tenure of the RPT	One year each i.e. for 2023-24 and 2024-25
ix.	Justification for RPT with the RP	For furtherance of business interest of the Company
x.	Value of RPT as % of CPCL's consolidated turnover of Rs. 90908.27 crore for the year 2022-23	1.21% and 1.87 % respectively
xi.	Maximum value of RPT during 2023-24 and 2024-25	10% of the consolidated turnover of the Company in the preceding financial year.

None of the directors, key Managerial Personnel and their relatives are interested in the resolution, except Mr Arvind Kumar and Ms Sukla Mistry who are on the board of CPCL and CBRPL.

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

Item No. 9

The proposal for appointment of M/s.Madhavan Mohan & Associates, Cost Accountants, Chennai as the Cost Auditor of the Company for the Financial Year 2023-24 at a remuneration of Rs. 2,75,000/- plus applicable taxes and out of pocket expenses, if any, to conduct the audit of cost accounts maintained by the company was recommended by the Audit Committee and the Board on 25.01.2023.

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. 2,75,000/- plus applicable taxes and out of pocket expenses, if any, to conduct the audit of cost accounts maintained by the company for the Financial Year 2023-24 payable to M/s.Madhavan Mohan & Associates, Cost Accountants, Chennai, the cost auditors of the company is proposed for ratification by the members.

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

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

Item No. 10

Mr. P. Kannan, was appointed as an Additional Director by the Board of Directors with effect from 01.08.2023. As per the provisions of Section 161 of the Companies Act, 2013, Mr. P. Kannan will hold office only upto the date of the 57th Annual General Meeting of the Company.

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

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

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

Brief Resume of the Directors of the Company, Seeking Appointment / Re-Appointment at the 57th Annual General Meeting

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

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

Number of Board Meeting attended during 2022-23-	8
Details of Directorships in other companies-	3
Membership / Chairmanship in the Committees of other companies-	1
No. of Shares held in the company as on date	Nil
Relationship between Directors and Key Managerial Personnel	None

2) Mr.H.Shankar, born on 06.03.1969 was appointed on the Board effective 1.10.2020. He holds a Bachelor's Degree in Mechanical Engineering from Osmania University, Hyderabad. He also holds a Master's Degree in Business Administration in General Management from Maharaja Sayajirao University. He has got nearly three decades of experience in the areas of Engineering, Maintenance, Project construction, Project Management, Materials & Contracts Management and indepth knowledge in Health, Safety and Environment.

He is the member of Risk Management Committee, Board Project Committee, CSR &SD Committee and Planning and Projects Committee of CPCL. Inter-se relationship between Directors is none.

Number of Board Meeting attended during 2022-23-	8
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 and Key Managerial Personnel	None

3) Mr.Rohit Kumar Agrawala, born on 25.06.1973, was appointed as Director (Finance), Chennai Petroleum Corporation Limited w.e.f 01.03.2023 in terms of letter No.CA-31019/1/2021-PNG dated 01.02.2023 from the Ministry of Petroleum and Natural Gas, Government of India.

Mr.Rohit Kumar Agrawala is a Chartered Accountant and holds a Masters Degree in Business Administration (Gold Medalist) from Xavier Institute of Management, Bhubaneswar. He started his career in Indian Oil Corporation Ltd in 1997 and has a multi-unit experience having worked in Refineries of IOCL in Guwahati, Paradip, Vadodara and Mathura. He has more than ten years of experience in Corporate Finance. He was Team Lead for multiple Change Management assignments in IOCL. Prior to joining CPCL, he was Chief General Manager (Finance), Business Development Division, IOCL Corporate Office, New Delhi.

Mr.Rohit Kumar Agrawala is a member of the Risk Management Committee, Board Projects Committee, CSR & SD Committee, Stakeholders Relationship Committee and Planning and Projects Committee. He is also a permanent invitee of the Audit Committee. He is not holding shares in the Company. Inter-se relationship between Directors is none.

Number of Board Meeting attended during 2022-23	- NA
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 and Key Managerial Personnel	- None

4) Mr.K.Surendaran born on 10.03.1970, was appointed on the Board effective 27.03.2023. Mr.K.Surendaran is an Indian politician from the Kasaragod District of Kerala. He holds a Bachelor of Science Degree in Chemistry, University of Calicut.

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

Number of Board Meeting attended during 2022-23	- NA
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 and Key Managerial Personnel	- None

5) Mr.P.Kannan, born on 23.10.1966 was appointed on the Board effective 1.08.2023. He is a B. Tech (Chemical Engineering) graduate from Alagappa College of Technology, Anna University, Chennai. He has been with CPCL for more than 34 years and has headed Operations in both Manali and Nagapattinam Refineries prior to joining the Board of Directors. He has held various positions in Manufacturing, Process Engineering etc.

He is the member of Risk Management Committee, Board Project Committee, and Planning and Projects Committee of CPCL. Inter-se relationship between Directors is none.

Number of Board Meeting attended during 2022-23	-NA
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 and Key Managerial Personnel	None

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

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

Date: 24.07.2023
Place: Chennai

REPORT ON CORPORATE GOVERNANCE: 2022-23

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 amongst the 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.

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

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

The above policies have been posted on the website of the company and can be accessed at https://www.cpcl.co.in/Company/Overview/our-policies

2. BOARD OF DIRECTORS:

a) COMPOSITION OF THE BOARD OF DIRECTORS:

The Board of CPCL comprises of Executive (Whole-Time) Directors, Non- Executive (Part-Time) Government Nominee Directors and Non-Executive (Part-Time) Independent Directors and Directors representing the Promoters viz., Indian Oil Corporation Limited and Naftiran Inter-Trade Company Ltd. The Independent Directors are eminent persons with proven record in diverse areas like Real Estate, Medicine, Public Affairs etc.

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

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

b) As on 31.03.2023, 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); Four whole-time Functional Directors, viz., Managing Director, Director (Finance), Director (Operations) and Director (Technical); Director (Refineries) of Indian Oil Corporation Limited, representing holding company; One Director, representing Ministry of Petroleum & Natural Gas, Government of India; Two Directors nominated by Naftiran Intertrade Company Limited, an affiliate of National Iranian Oil Company, one of the co-promoters, in terms of the Formation Agreement and Three Non-Functional Part-Time Independent Directors.

The details are as under:

Sl. No.	Name & DIN	Category	Designation	Date of Appointment	Tenure upto
1.	S.M.Vaidya 06995642	Non- Executive	Non-Executive Chairman	01.07.2020	31.08.2023
2.	Arvind Kumar 009224177	Whole-time Director	Managing Director	27.08.2021	26.08.2026
3.	S.Krishnan 08691391	Whole-time Director	Director (Operations)	01.03.2020	31.07.2023
4.	H.Shankar 08845247	Whole-time Director	Director (Technical)	01.10.2020	30.09.2025
5.	Rohit Kumar Agrawala 10048961	Whole-time Director	Director (Finance)	01.03.2023	29.02.2028
6.	Sukla Mistry 009309378	Non- Executive Director	Nominee of IOCL	16.11.2021	Till further orders from IOCL
7.	Deepak Srivastava 09275923	Non- Executive Director	Government Nominee Director	10.08.2021	For a period of 3 years on co-terminus basis or until further orders from MOPNG whichever is earlier.
8.	Mohammad Bagher Dakhili 07704367	Non- Executive Director	Nominee of NICO	23.01.2017	Till further orders from NICO
9.	Babak Bagherpour 08341090	Non- Executive Director	Nominee of NICO	27.03.2019	Till further orders from NICO
10.	Ravi Kumar Rungta 00993270	Non- Executive Director	Independent Director	16.11.2021	3 Years
11.	Dr. C.K.Shivanna 09398521	Non- Executive Director	Independent Director	16.11.2021	3 Years
12.	K.Surendaran 10091005	Non- Executive Director	Independent Director	27.03.2023	3 Years
13.	Rajeev Ailawadi 07826722 (Upto 28.02.2023)	Whole-time Director	Director (Finance)	08.05.2018	28.02.2023
14.	Amitabh Mathur 07275427 (Upto 28.07.2022)	Non- Executive Director	Independent Director	29.07.2019	3 years
15.	Myneni Narayana Rao 00577494 (Upto 28.07.2022)	Non- Executive Director	Independent Director	29.07.2019	3 years
16.	Sobhana Surendran 08599985 (Upto 30.10.2022)	Non- Executive Director	Independent Director	31.10.2019	3 years

Out of the total number of Twelve Directors as on 31.03.2023, Eight 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 (LODR) Regulations, 2015.

As per the Regulation 17 of the SEBI (LODR), if the non-executive Chairman is a Promoter of the Company or is related to any promoter or person occupying Management positions at the Board level or at one level below the Board, atleast one-half of the Board of the Company shall consist of Independent Directors with atleast 1 Woman independent Director. Since, the Company has a Non-Executive Chairman who is also the Chairman of Indian Oil Corporation Limited, the holding company, the Company needs to have 9 Independent Directors including 1 Woman Independent Director.

Presently, the Company has three Independent Directors as against the requirement of 9 , with no Woman Independent Director as against the minimum requirement of one (01) Woman Independent Director. CPCL being a Government Company under the administrative control of Ministry of Petroleum and Natural Gas, the power to appoint Directors, including independent Directors, vests with the Government of India. The appointment of additional Independent Directors is under the consideration of Government of India.

None of the Directors hold office in more than ten Public Companies. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies. All Directors are also in compliance with the limit on Independent Directorships of listed companies as prescribed under Regulation 25(1) of the Listing Regulations. It is confirmed that the Independent Directors fulfill the conditions specified in these regulations and that they are Independent of the management.

CRITERIA OF INDEPENDENCE

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors fulfill the criteria of independence as specified in the Companies Act, 2013, the rules notified thereunder as well as SEBI (LODR) and are independent of the Management.

In line with the amendment to Companies Accounts Rules 2014, a para on expertise, experience and proficiency of the independent Directors appointed during the year has been added in the Directors Report 2022-2023.

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

As required under Regulation 34 (3) of the SEBI (LODR), M/s L.B &Co., Practicing Company Secretary, has certified that none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Ministry of Corporate Affairs or any such statutory authority.

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

c) BOARD MEETINGS:

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

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

d) INFORMATION PLACED BEFORE THE BOARD:

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

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

e) Eight (08) Board meetings were held during the year 2022-23 on the following dates:

Board Meeting No.	Board Meeting Date	Board strength	Number of Directors present
348	27.04.2022	14	12
349	20.06.2022	14	14
350	23.06.2022	14	13
351	25.07.2022	14	14
352	22.08.2022	12	12
353	25.10.2022	12	12
354	25.01.2023	11	11
355	26.02.2023	11	11

Attendance of Directors at the Board Meetings held during the financial year 2022-2023 and at the last Annual General Meeting held on 23.08.2022, 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 23.08.2022 (YES/NO/NA)	NO. OF DIRECTORSHIP IN OTHER COS. AS ON 31.03.2023	MEMBERSHIP OF COMMITTEES IN COS. INCL. CPCL AS ON 31.03.2023	CHAIRMANSHIP OF COMMITTEES IN COS. INCL. CPCL AS ON 31.03.2023
Mr.S.M.Vaidya **Non-Executive Chairman**	8(8)	YES	4(Chairman - IOCL) (Non-Executive Chairman - RRPCL, IOTL) (Non-Executive Director- PLL)	1 (IOCL – NRC)	1(IOCL – RMC)
Whole-Time Directors					
Mr.Arvind Kumar, Managing Director	8(8)	YES	3(Non-Executive Chairman – IAL & AROCHEM) (Non-Executive Director – CBRPL)	1(CPCL-PPC)	1 (CPCL – RMC)
Mr.S.Krishnan, Director (Operations)	8(8)	YES	2(Non-Executive Director – IAL & AROCHEM)	3(CPCL – RMC & BPC & PPC)	1(IAL – AC)
Mr.H.Shankar Director (Technical)	8(8)	YES	NIL	4 (CPCL – CSR&SD, RMC, BPC & PPC)	NIL
Mr.Rohit Kumar Agrawala Director (Finance) (W.E.F 01.03.2023)	NA	NA	NIL	5 (CPCL - SRC, CSR&SD, BPC & RMC & PPC)	NIL
Mr.Rajeev Ailawadi, Director (Finance) (Upto 28.02.2023)	8(8)	YES	NA	NA	NA
Part-Time Non-Executive Director (IOCL Nominee)					
Ms.Sukla Mistry	8(8)	YES	2 (Director, Refineries – IOCL) (Chairperson – CBRPL)	3 (CPCL – NRC & RMC) (IOCL – RMC)	1 (CPCL – BPC)
Independent Directors					
Mr.Ravi Kumar Rungta	8(8)	YES	NIL	2 (CPCL – BPC & RMC)	2 (CPCL – AC & NRC)
Dr.C.K.Shivanna	8(8)	YES	NIL	2 (CPCL – AC & NRC)	2 (CPCL – SRC & CSR&SD)
Mr.K.Surendaran (W.E.F 27.03.2023)	NA	NA	NIL	1 (CPCL – NRC)	NIL
Mr.Myneni Narayana Rao (Upto 28.07.2022)	4(4)	YES (As past Chairperson of Audit Committee)	NA	NA	NA
Ms.Sobhana Surendran (Upto 31.10.2022)	5(6)	YES	NA	NA	NA
Mr.Amitabh Mathur (Upto 28.07.2022)	4(4)	YES	NA	NA	NA

NAME OF THE DIRECTOR	NO. OF BOARD MEETINGS ATTENDED OUT OF MEETINGS HELD DURING THE TENURE OF DIRECTOR	ATTENDANCE AT THE AGM ON 23.08.2022 (YES/NO/NA)	NO. OF DIRECTORSHIP IN OTHER COS. AS ON 31.03.2023	MEMBERSHIP OF COMMITTEES IN COS. INCL. CPCL AS ON 31.03.2023	CHAIRMANSHIP OF COMMITTEES IN COS. INCL. CPCL AS ON 31.03.2023
Part-Time Non-Executive Director (Government Nominee)					
Mr.Deepak Srivastava	7(8)	YES	NIL	5 (CPCL – AC, NRC, CSR&SD, BPC & SRC)	NIL
Part-Time Non-Executive Director (NICO Nominee)					
Mr.M.B.Dakhili	8(8)	YES	1 (Non-Executive Director – MFL)	4 (CPCL – CSR&SD) (MFL – AC, RMC, NRC)	1 (MFL - SRC)
Mr.Babak Bagherpour	7(8)	YES	1 (Non-Executive Director – MFL)	1 (CPCL - SRC)	NIL

Note:

1) Shri.S.M.Vaidya is also Chairman of i) Indian Oil Corporation Ltd (IOCL); He is also a Non-Executive Chairman in ii) Ratnagiri Refinery and Petrochemicals Ltd (RRPCL) iii) Indian Oil Tanking Ltd (IOTL) and Non-Executive Director in iv) Petronet –LNG Ltd (PLL).

2) IAL stands for Indian Additives Ltd.

3) AROCHEM stands for National Aromatics and Petrochemicals Corporation Ltd.

4) MFL stands for Madras Fertilizers Limited

5) RRPCL stands for Ratnagiri Refinery & Petrochemicals Limited

6) CBRPL stands for Cauvery Basin Refinery & Petrochemicals Limited

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

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

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

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

Sl.No.	Name of Director	Directorship in Listed entity
1	Mr.S.M.Vaidya	Chairman & Managing Director, Indian Oil Corporation Ltd, NED, Petronet LNG Ltd.
2	Mr.Babak Bagherpour	Director, Madras Fertilizers Ltd
3	Mr.Mohammad Bagher Dakhili	Director, Madras Fertilizers Ltd

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

The Code of Conduct for Directors and Senior Management Personnel of the company has been laid down by the Board, which has been circulated to all the concerned and the same is also hosted in the website of the company https://www.cpcl.co.in/company/overview/our-policies/. The Directors and Senior Management Personnel of the company have affirmed compliance with the provisions of the CPCL's code of conduct for year ended 31.03.2023 and no material financial or commercial transactions which may have potential conflict with the interest of the Company were reported by them. This was also informed to the Board at the 356th Meeting held on 27.04.2023.

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

"This is to declare that all the Board Members and Senior Management Personnel of the Company have furnished the Annual Compliance Report affirming that they have fully complied with the provisions of the Code of Conduct for the Board Members and the Senior Management Personnel of the Company during the Financial Year ended 31.03.2023 and the same was informed to the Board at the 356th Meeting held on 27.04.2023".

Place: Chennai **ARVIND KUMAR**
Date: 27.04.2023 MANAGING DIRECTOR

g) SHAREHOLDING OF DIRECTORS:

Name of Director	Designation	Number of shares
S.Krishnan	Director (Operations)	200*

***Transferred to IEPF**

No other Director on the Board of Chennai Petroleum Corporation Limited is holding any shares of CPCL as on 31.03.2023.

h) SUCCESSION PLANNING:

CPCL being a Government Company under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), the power to appoint Directors (including Independent Directors) vests with the Government of India. However, the Company has put in place an orderly succession plan for grooming of Senior Management Personnel.

3. AUDIT COMMITTEE:

a) THE COMPOSITION OF THE COMMITTEE AS ON 31.03.2023 IS AS UNDER:

1. Mr.Ravi Kumar Rungta, Independent Director – Chairman
2. Dr.C.K.Shivanna, Independent Director– Member
3. Mr.Deepak Srivastava, Government Nominee Director– Member

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

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for fixation of audit fees of statutory auditors.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
   a) Matters required to be included in the Board's Report in terms of sub-section 3 of Section 134 of the Companies Act, 2013.
   b) Changes, if any, in accounting policies and practices and reasons for the same.
   c) Major accounting entries involving estimates based on the exercise of judgment by management.
   d) Significant adjustments made in the financial statements arising out of audit findings.

e) Compliance with listing and other legal requirements relating to financial statements.

f) Disclosure of any related party transactions.

g) Modified opinion in draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

6. Reviewing with the Management the adequacy of the internal control systems.

7. Evaluation of internal financial controls and risk management systems

8. Approval of related party transactions.

9. Reviewing the adequacy of internal audit function, if any, including annual plan for internal audit, the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

10. Discussion with internal auditors any significant findings and follow up thereon.

11. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

12. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

13. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

14. To review the functioning of the Whistle-Blower Mechanism, in case the same is existing.

15. Review of cost audit report.

16. Reviewing with the management, the observations or comments, if any, of Comptroller & Auditor General of India.

17. Any other functions that may be assigned by the Board to the Audit Committee from time to time.

c) The details of Audit Committee Meetings held during the Financial Year 2022-2023 and the Members present are given below:

Sl.No.	CHAIRMAN/ MEMBERS PRESENT	ATTENDANCE AT MEETINGS HELD OUT OF TOTAL NUMBER OF MEETINGS					
		27.04.2022 (110th)	25.07.2022 (111th)	25.10.2022 (112th)	25.01.2023 (113th)	25.02.2023 (114th)	Total
1	Mr.Myneni Narayana Rao	YES	YES	NA	NA	NA	2/2
2	Mr.Amitabh Mathur	YES	YES	NA	NA	NA	2/2
3	Mr.Deepak Srivastava	YES	YES	YES	YES	YES	5/5
4	Mr.Ravi Kumar Rungta	NA	NA	YES	YES	YES	3/3
5	Dr.C.K.Shivanna	NA	NA	YES	YES	YES	3/3

Note: "NA" denotes Not Applicable.

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

The minutes of the meeting are circulated among the members of the Committee and among all 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) :

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

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

b) THE NOMINATION & REMUNERATION COMMITTEE AS ON 31.03.2023 COMPRISES OF THE FOLLOWING MEMBERS:

- Mr.Ravi Kumar Rungta, Independent Director–Chairman
- Dr.C.K.Shivanna, Independent Director–Member
- Mr.K.Surendaran, Independent Director–Member
- Mr.Deepak Srivastava, Government Nominee Director–Member
- Ms.Sukla Mistry, Nominee Director (IOCL)–Member

Note: Mr.K.Surendaran, Independent Director, was inducted as a member of the NRC w.e.f 27.03.2023. Ms.Sobhana Surendran, Independent Director, ceased to be a member of the NRC w.e.f 31.10.2022.

c) THE TERMS OF REFERENCE OF THE COMMITTEE ARE AS UNDER:

1. Appointment and Recruitment including deputation / tenure basis – Supervisors-Grade-H(CGM)
2. To consider and approve promotions to Grade H (Chief General Manager) 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- unionized supervisors, within the prescribed limits as per DPE Guidelines.
5. Such other activities mandated by the Board from time to time.

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

d) THE DETAILS OF NRC MEETINGS HELD DURING THE FINANCIAL YEAR 2022-2023 ARE AS UNDER:

Sl.No	Name of the member / Chairman	ATTENDANCE AT THE MEETINGS HELD OUTOF TOTAL NUMBER OF MEETINGS	Total
		20.10.2022	
1	Mr.Ravi Kumar Rungta	YES	1/1
2	Ms.Sobhana Surendran	YES	1/1
3	Dr.C.K.Shivanna	YES	1/1
4	Mr.Deepak Srivastava	YES	1/1
5	Ms. Sukla Mistry	YES	1/1

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

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e) DIRECTORS REMUNERATION:

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

The gross value of the fixed component of the remuneration, as explained above, paid to the whole time functional Directors, during the financial year 2022-2023 is given below:

Financial year 2022-2023					
Particulars of Remuneration	**Arvind Kumar**	**S.Krishnan**	**H.Shankar**	**Rohit Kumar Agrawala**	**Rajeev Ailawadi**
	MD	D(O)	D(T)	D(F)	D(F) (Retd.)
Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	6352334	7853302	7311328	5019385	12783181
Value of perquisites u/s 17(2) of the Income tax Act, 1961	1138002	198653	187392	806107	928267
Total (A)	**7490336**	**8051955**	**7498720**	**5825492**	**13711448**
Ceiling as per the Act	Not Applicable to Government company				

Note:

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

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

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

f) THE CRITERIA FOR PAYMENT TO NON-EXECUTIVE DIRECTORS IS AS UNDER:

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

The amount of sitting fees payable to the eligible Directors for attendance at the meetings of the Board and its Committees is Rs.40,000/- and Rs.30,000/- respectively.

g) THE DETAILS OF THE SITTING FEES PAID TO NON-EXECUTIVE INDEPENDENT DIRECTORS DURING 2022-2023 ARE GIVEN BELOW:

- Mr.Amitabh Mathur–Rs.2,50,000/- (Rupees Two Lacs Fifty Thousand only)
- Mr.Myneni Narayana Rao–Rs. 2,80,000/- (Rupees Two Lacs Eighty Thousand only)
- Ms.Sobhana Surendran–Rs.2,90,000/- (Rupees Two Lacs Ninety Thousand only)
- Mr.Ravi Kumar Rungta–Rs. 4,70,000/- (Rupees Four Lacs Seventy Thousand only)
- Dr.C.K.Shivanna–Rs. 5,30,000/- (Rupees Five Lacs Thirty Thousand only)
- Mr.K.Surendaran–NIL

The Government Nominee Directors are not paid any remuneration, sitting fees, etc.

There were no other materially significant pecuniary relationships or transactions of the Independent Directors vis-à-vis the Company.

h) EVALUATION OF PERFORMANCE OF DIRECTORS:

The performance evaluation of the Directors (including Independent Directors) has not been carried out by the Nomination & Remuneration Committee, as CPCL being a Government Company, the powers relating to appointment, evaluation and the terms of Independent Directors vests with the Govt. of India. The same is also exempted to Govt. Companies under the provisions of the Companies Act, 2013.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC):

a) THE COMPOSITION OF THE COMMITTEE AS ON 31.03.2023 IS AS UNDER:

- Dr.C.K.Shivanna, Independent Director – Chairman
- Mr.Deepak Srivastava, Government Nominee Director – Member
- Mr.Rohit Kumar Agrawala, Director (Finance) – Member
- Mr.Babak Bagherpour, Nominee Director (NICO) – Member

Note: Ms.Sobhana Surendran, Independent Director ceased to be a member of the SRC w.e.f 31.10.2022. Mr.Rajeev Ailawadi, Director (Finance) ceased to be a member of the SRC w.e.f 28.02.2023. Dr.C.K.Shivanna, Independent Director, was inducted as a member and designated as the Chairperson of the SRC w.e.f 31.03.2023. Mr.Rohit Kumar Agrawala, Director (Finance), was inducted as member of the SRC w.e.f 01.03.2023.

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

b) THE DETAILS OF STAKEHOLDERS RELATIONSHIP COMMITTEE MEETING HELD DURING THE FINANCIAL YEAR 2022-2023 AND MEMBERS PRESENT IS GIVEN BELOW:

Sl. No.	Members Present	Attendance at the meetings held out of total number of meetings	Total
		25.10.2022	
1	Ms. Sobhana Surendran	YES	1/1
2	Mr.Rajeev Ailawadi	YES	1/1
3	Mr.Babak Bagherpour	YES	1/1
4	Mr.Deepak Srivastava	YES	1/1

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

c) DETAILS OF QUERIES, REQUESTS AND COMPLAINTS RECEIVED AND REDRESSED DURING THE YEAR 2022-2023:

During the year 541 queries, requests and complaints were received and all have been resolved. As on 31.03.2023, no complaints were pending.

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

6. COMMITTEE ON CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABLE DEVELOPMENT (CSR & SD):

a) The Composition of Committee on CSR & SD as on 31.03.2023 is as follows:

- Dr.C.K.Shivanna, Independent Director – Chairman
- Mr.Deepak Srivastava, Government Nominee Director – Member
- Mr.Rohit Kumar Agrawala, Director (Finance) – Member
- Mr.H.Shankar, Director (Technical) – Member
- Mr.M.B.Dakhili, Nominee Director (NICO) – Member

Note: Mr.Myneni Narayana Rao, Independent Director ceased to be a member of the CSR&SD Committee w.e.f 28.07.2022. Mr.Rajeev Ailawadi, Director (Finance) ceased to be a member of the CSR&SD Committee w.e.f 28.02.2023. Dr.C.K.Shivanna, Independent Director, was inducted as a member and designated as the Chairman of the CSR&SD Committee w.e.f 11.08.2022. Mr.Rohit Kumar Agrawala, Director (Finance), was inducted as member of the CSR&SD Committee w.e.f 01.03.2023.

b) THE TERMS OF REFERENCE OF THE COMMITTEE IS AS UNDER:

- To offer guidance / suggestions for improvement in CSR activities.
- To monitor the progress of the CSR Activities on a quarterly basis.
- To develop the sustainable development policy for the 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.

c) THE DETAILS OF CSR & SD COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2022-2023 ALONG WITH THE MEMBERS PRESENT ARE GIVEN BELOW:

Sl.No	Members Present	ATTENDANCE AT THE MEETINGS HELD OUT OF TOTAL NUMBER OF MEETINGS		Total
		25.10.2022	25.01.2023	
1	Dr.C.K.Shivanna	YES	YES	2/2
2	Mr.Rajeev Ailawadi	YES	YES	2/2
3	Mr.H.Shankar	YES	YES	2/2
4	Mr.M.B.Dakhili	YES	YES	2/2
5	Mr.Deepak Srivastava	YES	YES	2/2

The CSR Policy is hosted on the website of the company under the link https://www.cpcl.co.in/company/overview/our-policies/. The CSR Report, as required under the Companies Act, 2013 for the year ended 31.03.2023 is annexed to the Board's Report.

7. RISK MANAGEMENT COMMITTEE (RMC):

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

b) THE COMPOSITION OF THE RISK MANAGEMENT COMMITTEE COMPRISES OF THE FOLLOWING MEMBERS AS ON 31.03.2023:

- Mr.Arvind Kumar, Managing Director – Chairman
- Mr.S.Krishnan, Director (Operations) – Member
- Mr.H.Shankar, Director (Technical) – Member
- Mr.Rohit Kumar Agrawala, Director (Finance) – Member
- Mr.Ravi Kumar Rungta, Independent Director – Member
- Ms.Sukla Mistry, Nominee Director (IOCL) – Member

Mr.Rajeev Ailawadi, Director (Finance), ceased to be a member of the RMC w.e.f 28.02.2023. Mr.Myneni Narayana Rao, Independent Director, ceased to be a member of the RMC w.e.f 28.07.2022. Mr.Ravi Kumar Rungta, Independent Director was inducted as a member of the RMC w.e.f 11.08.2022. Mr.Rohit Kumar Agrawala, Director (Finance) was inducted as a member of the RMC w.e.f 01.03.2023.

The Action Taken Report on the Risk Management Policy for the period April, 2022 to September, 2022 was reviewed by the Risk Management Committee, Audit Committee and by the Board of Directors at the meeting held on 25.10.2022. The Action Taken Report on the Risk Management Policy for the period April, 2022 to March, 2023 was reviewed by the Risk Management Committee at the meeting held on 26.04.2023 and by the Audit Committee and the Board at the meeting held on 27.04.2023

c) The terms of reference of the Committee are as under:

- to review the action taken report of the internal committee on the risk management process involving risk assessment and minimization procedures on various internal risks like financial risks, infrastructure requirement, raw water, reliability of equipment, human resources, legal and litigation risks, risks at CBR and external risks like crude oil sourcing risks, pricing of products, emergence of natural gas, market dynamics, environmental risks, safety and security risks.
- to carry out such other functions including cyber security as may be delegated by the Board.

8. OTHER COMMITTEES OF THE BOARD:

Sl.No.	Name of the Committee	Role and Responsibilities	Members	Meetings held (2022-23)
1	Board 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. Ms.Sukla Mistry, Non- Executive Nominee Director – Chairperson 2. Mr.Ravi Kumar Rungta, Independent Director – Member 3. Mr.Deepak Srivastava, Government Nominee Director – Member 4. Director (Finance) – Member 5. Director (Technical) or Director (Operations), depending upon the proposal considered	NIL
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 (Finance) 3. Director (Operations) 4. Director (Technical)	14

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

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

There have been no instances where any recommendation made by any Board Committee has not been accepted by the Board of CPCL during the year 2022-23.

9. 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	Special Resolutions passed
11.09.2020	Video Conference / Other Audio Visual Means	03.00 pm	NIL
20.08.2021	Video Conference / Other Audio Visual Means	03.00 pm	3
23.08.2022	Video Conference / Other Audio Visual Means	03.30 pm	2

No Extraordinary General Meeting of the Members was held during the year 2022-2023.

10. POSTAL BALLOT DETAILS:

No approval of shareholders was sought by means of Postal Ballot during 2022-2023.

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

11. DISCLOSURES:

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

a) SEPARATE MEETING OF INDEPENDENT DIRECTORS:

One Separate Meeting of the Independent Directors as required under Regulation 25(3) of SEBI (LODR) was held on 04.06.2022.

b) MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:

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

As per the policy on RPT, all related party transactions are approved by the Audit Committee.

The Company has not entered into any material significant related party transactions during the year.

c) MATERIAL SUBSIDIARIES:

CPCL has no subsidiaries.

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

NSE and BSE imposed penalties for Non-Appointment of requisite number of Independent Directors including One Woman Independent Director throughout the year and for non-compliance w.r.t composition of NRC with less than 2/3rd Independent Directors and SRC.

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

The Company has reconstituted the Nomination and Remuneration Committee with the induction of an additional Independent Director as per the amended Regulation 19 of SEBI (LODR) Regulations, 2015 with effect from 27.03.2023. As and when additional Independent Directors are appointed, they will be inducted in the NRC to comply with the requirement of Regulation 19 of SEBI (LODR) Regulations, 2015.

Further the SRC was reconstituted with requisite independent Directors effective 31.03. 2023

e) VIGIL MECHANISM AND WHISTLE-BLOWER POLICY:

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

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

The Policy provides for the employees to report any improper activity resulting in violation of rules, laws, regulations or code of conduct by any of the employees to the competent authority or the Chairman of the Audit Committee. No personnel have been denied access to the Audit Committee.

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

f) DISCLOSURES IN RELATION TO SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

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

Number of complaints filed during the Financial Year 2022-2023, NIL

Number of Complaints disposed during the Financial Year 2022-2023, NIL

Number of Complaints pending as on end of the financial year 2022-2023, NIL

g) FEES PAID TO STATUTORY AUDITORS:

The statutory auditors of the company were paid a total fee of Rs.0.43 Crore for all the services rendered by them to the Company, as detailed below:

Rs. in Crore

Payment to Statutory Auditors	FY 2022-2023
Audit Fees	0.24
Limited Review Certification	0.11
Tax Audit Fees	0.05
Other Services	0.03
TOTAL	**0.43**

h) COMPLIANCE WITH MANDATORY REQUIREMENTS OF CORPORATE GOVERNANCE (SEBI):

i) SEBI

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 including One Woman Independent Director throughout the year which is less than half of the total strength of the Board and requirement relating to composition of the Nomination & Remuneration Committee.

The Company has taken up the issue with the appointing authority, viz., Government of India. The appointment of additional Independent Directors including One Woman Independent Director is under the consideration of Government of India. As and when additional independent Directors are appointed, they will be inducted into NRC to ensure compliance with the requirement of 2/3rd independent directors.

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

ii) Compliance of Applicable Laws:

As per Regulation 17 (3) of SEBI (LODR), the Board shall periodically review compliance reports of all laws applicable to the company, prepared by the company as well as steps taken by the 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 01.10.2021 to 30.09.2022 at the 353rd Board Meeting held on 25.10.2022. The Compliance Report for the period 01.10.2022 to 30.09.2023 will be placed before the Board at the meeting scheduled in October / November 2023.

iii) Risk Assessment and Minimisation Procedures:

The Company has developed a system and laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are being 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 Board of Directors at the meeting held on 27.03.2019 constituted the Risk Management Committee as per the amended SEBI (LODR).

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

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

CPCL has formulated the Code for prevention of Insider Trading in the securities of CPCL (Insider Trading Code) in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulation, 2018 and the same was approved by the Board at its meeting held on 08.05.2019. The company has also implemented the Structured Digital Databased Software and the UPSI Module for sharing of UPSI, if any, between Designated Employees / Connected persons during the year 2022-23.

v) **Compliance Certificate**

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

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

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

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

The Company's financial statements for the year ended 31st March, 2023 do not contain any modified audit opinion.

i) CEO / CFO CERTIFICATION:

The required certification from Director (Finance) and Managing Director being the CFO and CEO respectively was obtained and placed before the 115th Audit Committee Meeting and 356th Board meeting held on 27.04.2023.

j) 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. 196 major contracts were covered under the Integrity Pact during 2022-2023 and the threshold limit for entering into integrity pact was reduced to Rs.0.75 crore during the year 2020-21.

k) RELATIONSHIP BETWEEN DIRECTORS:

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

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

l) DETAILS OF FAMILIARIZATION PROGRAMS IMPARTED TO INDEPENDENT DIRECTORS:

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

During the financial year 2022-2023, no familiarization program was conducted for any Independent Director since only one appointment of additional Independent Director was made w.e.f 27.03.2023. The details of the past familiarization programs are uploaded in the website of the company under the link https://cpcl.co.in/wp-content/uploads/2022/03/Training-Program-Nomination-Dr.C.K.Shivanna-Independent-Director.pdf. Mr.Ravi Kumar Rungta, Independent Director, and Mr.K.Surendaran, Independent Director, will be nominated for a similar familiarization program during the Financial Year 2023-24.

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

m) DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT:

No shares of CPCL were lying in the Demat suspense account or unclaimed suspense account as on 31.03.2023.

n) GUIDELINES ON CORPORATE GOVERNANCE BY DPE:

CPCL is complying with all the requirements of the DPE Guidelines on corporate governance except the requirements relating to minimum number of Independent Directors including One Woman Independent Director throughout the year and composition of Nomination and Remuneration Committee.

CPCL being a Government Company is pursuing with the Government of India for induction of requisite number of Independent Directors including One Woman Independent Director. As and when additional independent Directors are appointed, they will be inducted into NRC to ensure compliance with the requirement of 2/3rd independent directors.

The Company has reconstituted the Nomination and Remuneration Committee with induction of an additional Independent Director w.e.f 27.03.2023. Presently there are 3 Independent Directors as against the actual strength of 5. As and when additional Independent Directors are appointed on the Board of CPCL they will be inducted as a member of the NRC to comply with Regulation 19 of SEBI (LODR) Regulations 2015.

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

The Company has not incurred any expenditure not for the purpose of business during the year 2022-2023.

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 0.15% as compared to the previous year figure of 0.18%.

In the preparation of financial statement for the year 2022-2023, the Company has not adopted an accounting treatment which is different from that prescribed in the Accounting Standard, in respect of any transaction.

12. MEANS OF COMMUNICATION:

a) Financial Results:

The Board of Directors of the Company approves the Financial Results within the time limits prescribed under SEBI (LODR) and announces the results to Stock Exchanges where the equity shares are listed. The same are also generally published, within 48 hours of the conclusion of the meeting in the newspapers viz., The Hindu – All India Edition (English), and Makkal Kural – Regional Edition (Tamil).

The Quarterly Results, Half yearly Results, Annual Results and Shareholding pattern are placed on the Company's website at https://www.cpcl.co.in/investors/financials/financial-performance/. Press releases are given on important occasions. They are also placed on Company's website.

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

b) Con-call with Investors

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

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

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

d) NSE Electronic Application Processing System (NEAPS) & NSE Digital Exchange:

The NEAPS and NSE Digital Exchange is a web-based application designed by NSE for corporates. All periodical compliance filings like Corporate Announcements, Shareholding Pattern, Corporate Governance Report, Media Releases, Statement of Investor Complaints, among others are filed electronically on NEAPS and NSE Digital Exchange.

BSE Corporate Compliance & Listing Centre ("Listing Centre"):

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

e) Annual Report:

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

CPCL would dispatch the full version of the Annual Report 2022-2023 only to the registered email address of the shareholders, in line with the relaxation granted by SEBI in this regard.

f) Chairman's Speech at AGM:

Chairman's Speech at AGM is also displayed in the website of the Company.

g) Investors' cell:

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

h) Green initiative – reaching important communicationtoshareholdersthroughemail:

The provisions of The Companies Act, 2013 and Rules made thereunder permits paperless communication by allowing service of all documents in electronic mode. Accordingly, CPCL would send the copy of the Annual Report for the year 2022-2023 along with the notice convening the Annual General Meeting through email to those shareholders who have registered their email id with the DP's / R&T agents and have not opted for physical copy of the Annual report.

CPCL would dispatch the full version of the Annual Report 2022-2023 only to the registered email address of the shareholders, in line with the relaxation granted by SEBI in this regard.

13. GENERAL SHAREHOLDER INFORMATION:

a)	57^{th} Annual General Meeting:	:	
b)	Day, Date & Time	:	Tuesday, the 22^{nd} August , 2023, 03:30 PM
c)	Venue	:	The Company would be conducting meeting through VC / OAVM pursuant to the MCA Circular dated January 13, 2021 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of the AGM.
d)	Financial Year & Calendar for Results	:	April – March Quarter ending 30^{th} June – on or before 14^{th} August Quarter ending 30^{th} September – on or before 14^{th} November Quarter ending 31^{st} December – on or before 14^{th} February Quarter ending 31^{st} March – on or before 30^{th} May
e)	Record Date		Friday, the 4^{th} August 2023
f)	Dividend despatch date		The Board has recommended a Equity Dividend of Rs. 27/- per share and 6.65% Preference Dividend on the Preference Share Capital for the financial year 2022-2023. Within 30 days from date of declaration
g)	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 2023-2024 has been paid.
h)	Stock Code		BSE – 500110
i)	Trading Symbol in NSE		CHENNPETRO
j)	ISIN No. for dematerialized share		INE 178A 01016
k)	Book Closure Date / Cut Off Date		16 August 2023
l)	Corporate Identity No.		The Company is registered with the Registrar of Companies (RoC) in the State of Tamilnadu, India. The CIN allotted to the Company by the Ministry of Corporate Affairs (MCA) is L40101TN1965GOI005389.
m)	Closure of Trading Window:		The Trading Window for dealing in securities of CPCL shall remain closed for "Insiders" of CPCL from the end of each quarter till 48 hours after the financial results for the quarter are filed with stock exchange and become generally available.

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

(in Rupees)

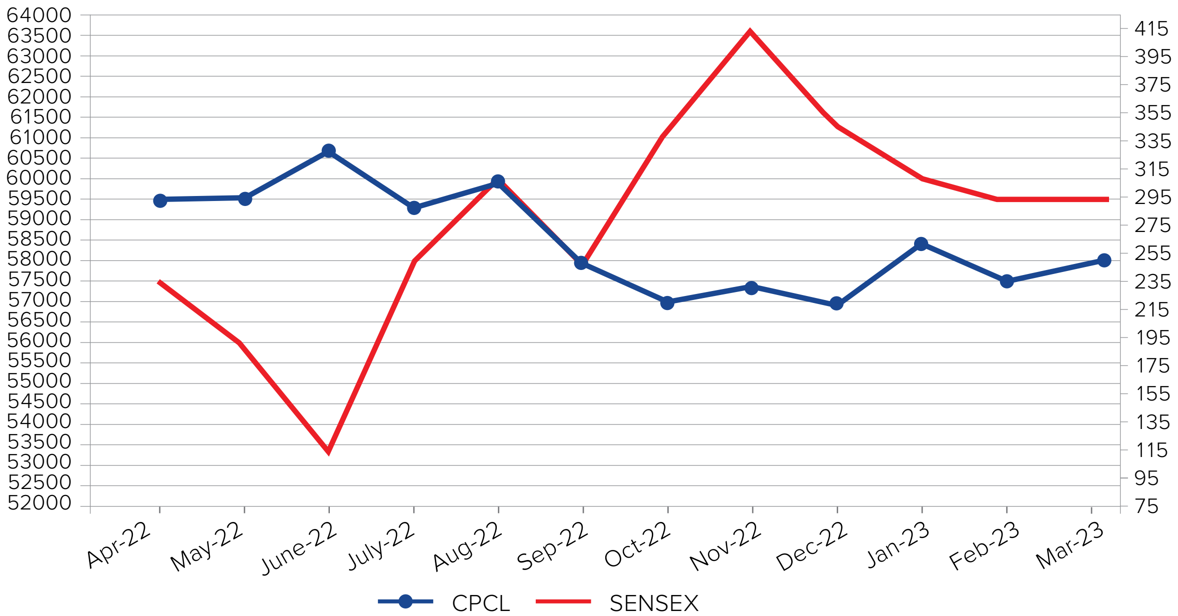
Month	NSE			Volume (In Lacs)	BSE			Volume (In Lacs)
	High	Low	Close		High	Low	Close	
Apr-22	279.55	127.10	279.25	990.60	279.20	127.00	279.05	27.17
May-22	345.00	259.05	281.25	592.13	345.00	259.25	281.60	22.86
Jun-22	417.85	261.15	313.60	1,397.42	417.95	260.50	313.60	27.23
Jul-22	313.00	259.25	276.00	707.06	312.90	260.75	275.40	15.73
Aug-22	327.50	247.10	291.95	511.63	327.20	247.30	291.65	16.09
Sep-22	300.00	225.80	234.90	276.72	300.00	224.30	234.90	8.98
Oct-22	250.90	198.20	208.70	222.93	250.80	198.30	208.65	6.54
Nov-22	218.40	190.50	215.80	140.61	218.30	190.55	215.65	4.83
Dec-22	231.55	186.60	206.80	164.37	231.35	186.50	206.65	6.43
Jan-23	250.50	206.00	248.30	247.99	250.50	205.95	248.30	7.10
Feb-23	258.00	222.65	224.60	122.97	258.00	222.90	224.35	3.84
Mar-23	271.90	224.75	237.50	269.34	271.55	224.80	237.90	8.27

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

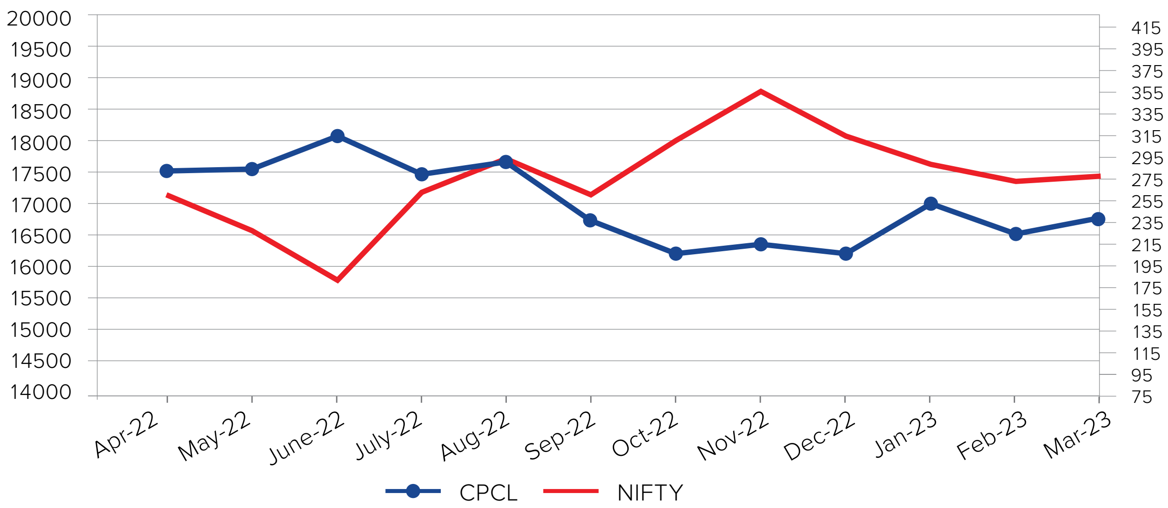
Month	NSE		BSE	
	CPCL Close (in Rs)	Index Close (CNX NIFTY)	CPCL Close (in Rs.)	Index Close (S&P BSE SENSEX)
Apr-22	279.25	17102.55	279.05	57060.87
May-22	281.25	16584.55	281.60	55566.41
Jun-22	313.60	15780.25	313.60	53018.94
Jul-22	276.00	17158.25	275.40	57570.25
Aug-22	291.95	17759.30	291.65	59537.07
Sep-22	234.90	17094.35	234.90	57426.92
Oct-22	208.70	18012.20	208.65	60746.59
Nov-22	215.80	18758.35	215.65	63099.65
Dec-22	206.80	18105.03	206.65	60840.74
Jan-23	248.30	17662.15	248.30	59549.90
Feb-23	224.60	17303.95	224.35	58962.12
Mar-23	237.50	17359.75	237.90	58991.52

During 2022-2023, the share price of the Company touched a high of Rs.417.95 and closed at Rs.237.90 on 31.03.2023 on the BSE thereby decreasing by 43.07%. During the same period, the BSE SENSEX touched a high of 63583.07 and closed at 58991.52 on 31.03.2023 thereby decreasing by 7.22%. The NSE NIFTY touched a high of 18887.60 and closed at 17359.75 on 31.03.2023 thereby decreasing by 8.08%.

CPCL Share Price movement- BSE



CPCL Share Price Movement- NSE



p) **DEBT SECURITIES:**

No Debt Securities were issued during the year 2022-23.

q) **REGISTAR AND SHARE TRANSFER AGENT:**

M/s.KFin Technologies Ltd. (KFTL) was the Registrar & Transfer Agents (RTA) of the Company during the Financial Year 2022-2023. The address for correspondence with the RTA is as given below:

(1) Hyderabad Office:

KFin Technologies Limited,

Selenium Tower B,

Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500 032 Phone: 040-44655000/44655152

Fax No: 040-44655024

E-mail: mohsin.mohd@kfintech.com, einward.ris@kfintech.com Website: www.kfintech.com

(2) Chennai Office:

KFin Technologies Limited

Unit: Chennai Petroleum Corporation Limited Akshaya Plaza, 1st Floor, Flat No. F-11

New No.108, Adhithanar Salai, (Opp.: Chief City Metropolitan Court) Egmore, Chennai 600002 Phone: 044-28587781

Fax: 044-42028514

Email id: chennaiirc@kfintech.com

r) **SHARE TRANSFER SYSTEM:**

SEBI vide circular dated 5th December 2018 has directed that no transfer of shares in physical form would be allowed w.e.f. 1st April 2019. Accordingly, no transfer of shares in physical form was processed w.e.f. 1st April 2019. However, all requests for transfer of shares in physical form received upto 31st March 2019 have been transferred within the stipulated period from the date of lodgment subject to documents being valid and complete in all respects. There were no overdue share transfers pending as on 31st March 2023.

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

The number of transfers approved and shares transferred from 01.04.2022 to 31.03.2023 are given below:

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

The number of meetings held for approving transmissions, deletions etc. from 01.04.2022 to 31.03.2023 is 29.

The number of demat requests approved and shares dematted from 01.04.2022 to 31.03.2023 in National Securities Depository Ltd. (NSDL) are given below:

S. No.	Particulars	Number of Demat Request Form (DRF)	Shares
1	Number of demat requests received	204	26440
2	Number of demat requests processed	140	16420
3	Number of demat requests rejected, for non-receipt of physical share certificates within 30 days as per the requirement of NSDL	64	10020

The number of demat requests approved and shares dematted from 01.04.2022 to 31.03.2023 in Central Depository Services (India) Ltd. (CDSL) are given below:

S. No.	Particulars	Number of DRF	Shares
1	Number of demat requests received	143	15010
2	Number of demat requests processed	92	9610
3	Number of demat requests rejected, for non- receipt of physical share certificates within 30 days as per the requirement of CDSL	51	5400

No Remat requests were received during the year 2022-23 both in NSDL and CDSL.

s) DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2023:

CHENNAI PETROLEUM CORPORATION LIMITED					
Distribution of Shareholding as on 31/03/2023 (TOTAL)					
Sl. No	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 – 5000	103307	99.40	17135794	11.51
2	5001 – 10000	320	0.31	2342174	1.57
3	10001 – 20000	142	0.14	2079918	1.40
4	20001 – 30000	50	0.05	1281270	0.86
5	30001 – 40000	26	0.03	902287	0.61
6	40001 – 50000	22	0.02	1026991	0.69
7	50001 – 100000	24	0.02	1766972	1.19
8	100001 and above	40	0.04	122375994	82.18
	TOTAL:	**103931**	**100.00**	**148911400**	**100.00**

t) SHAREHOLDING PATTERN AS ON 31.03.2023:

Srl #	Code	Description	Total Cases	Total Shares	Total Cases %
1	IOC	INDIAN OIL CORPORATION LTD	1	77265200	51.89
2	PUB	RESIDENT INDIVIDUALS	96832	27434453	18.42
3	NIT	NAFTIRAN INTER-TRADE COMPANY	1	22932900	15.40
4	MUT	MUTUAL FUNDS	7	1191966	0.80
5	QIB	QUALIFIED INSTITUTIONAL BUYER	5	3381415	2.27
6	FPC	FOREIGN PORTFOLIO - CORP	57	11422160	7.67
7	LTD	BODIES CORPORATE	480	1515495	1.02
8	NRI	NON RESIDENT INDIANS	4055	1255815	0.84
9	HUF	H U F	1472	1070775	0.72
10	CM	CLEARING MEMBERS	48	81610	0.05
11	IEP	I E P F	1	505366	0.34
12	NRN	NON RESIDENT INDIAN NON REPATRIABLE	700	296109	0.20
13	TRU	TRUSTS	10	15321	0.01
14	EMP	EMPLOYEES	244	47825	0.03
15	NBF	NBFC	1	1250	0.00
16	FII	FOREIGN INSTITUTIONAL INVESTORS	7	2600	0.00
17	BNK	BANKS	5	969	0.00
18	NRC	NON RESIDENT COMPANIES	1	300	0.00
19	FN	FOREIGN NATIONALS	1	200	0.00
20	AIF	ALTERNATIVE INVESTMENT FUND	3	489671	0.33
Total			**103931**	**148911400**	**100.00**

u) TOP TEN SHAREHOLDERS AS ON 31.03.2023 (OTHER THAN PROMOTERS):

Sl. #	Name	Total Shares	% to Equity	Cgy
1	DOLLY KHANNA	29,44,020	1.97	PUB
2	POLUNIN EMERGING MARKETS SMALL CAP FUND, LLC	25,06,984	1.68	FPC
3	LIFE INSURANCE CORPORATION OF INDIA	19,92,800	1.34	QIB
4	CITY OF NEW YORK GROUP TRUST	19,67,425	1.32	FPC
5	RAMLAL KAWARLAL JAIN	14,28,192	0.96	PUB
6	FIDELITY FUNDS - ASIAN SMALLER COMPANIES POOL	10,04,783	0.67	FPC
7	RUSSELL INVESTMENT COMPANY PLC - ACADIAN EMERGING	8,10,908	0.54	FPC
8	THE NEW INDIA ASSURANCE COMPANY LIMITED	6,53,444	0.44	QIB
9	FIDELITY ASIAN VALUES PLC	5,53,540	0.37	FPC
10	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY	5,04,866	0.34	IEP

v) DEMATERIALISATION OF SHARES AND LIQUIDITY

The shares of the Company are traded in dematerialized form. In order to facilitate the shareholders to dematerialize the shares, the Company has entered into an agreement with NSDL and CDSL. The summarized position of shareholders in Physical and Demat segment as on 31.03.2023 is as under:

CHENNAI PETROLEUM CORPORATION LIMITED					
S. No.	Description	Cases	% Equity	Shares	% Equity
1	PHYSICAL	8907	8.57	1033328	0.69
2	NSDL	44007	42.34	57833931	38.84
3	CDSL	51017	49.09	90044141	60.47
	Total:	**103931**	**100.00**	**148911400**	**100.00**

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

w) DUE DATE OF TRANSFER OF UNCLAIMED DIVIDEND:

The due date of transfer of unclaimed dividend to the Investor Education and Protection Fund are as under:

Year	Date of Declaration	Due Date of Transfer
2015-2016	07.09.2016	06.10.2023
2016-2017	24.08.2017	23.09.2024
2017-2018	24.08.2018	23.09.2025
2018-2019		
2019-2020	No Dividend	
2020-2021		
2021-2022	23.08.2022	22.09.2029

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

The details of dividend which remains unpaid / unclaimed as on 31.03.2023 are given below:

Year	Amount (Rs.)
2015-16	51,76,172.04
2016-17	1,84,96,528.10
2017-18	1,29,96,900.10
2018-19	
2019-20	No Dividend Declared
2020-21	
2021-22	3,75,94,505.17
Total	**7,42,64,105.41**

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. 23.08.2022 in the prescribed form with the IEPF and also hosted it on company's website https://www.cpcl.co.in/investors/share-holder-information/iepf/.

x) TRANSFER OF UNCLAIMED SHARES TO IEPF:

Section 124(6) of the Companies Act, 2013 read with rules made there under provide that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of Investor Education and Protection Fund. Ministry of Corporate Affairs (MCA), Government of India, had notified the Investor Education & Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2015 in September 2016 and further amended by Notification dated 26.10.2017 providing for the transfer of the Equity Shares to IEPF in respect of which dividend has remained unclaimed for seven consecutive years or more, on or before 30.11.2017.

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

No dividend was declared for the years 2012-13 to 2014-15 and 2018-19 to 2020-21. No dividend / shares was liable to be transferred to the IEPF Account during the Financial Year 2022-2023 since no dividend was declared for the Financial Year 2014-2015.

The Unpaid / Unclaimed Equity Dividend declared on 07.09.2016 for the FY 2015-2016 will be transferred to the IEPF Account on the due date i.e. 06.10.2023. Those shareholders, who have not claimed the dividend for the Financial Year 2015-2016 and all other Dividends declared by the Company for 7 consecutive years thereafter including the shares held by them are liable to be transferred to the IEPF. The Company has sent individual communication dated 20.05.2023 to those shareholders at their latest available address. The Company had also issued a Public Notice dated 25.05.2023 in "The Hindu" and "Makkal Kural" on the same. The Company has also uploaded the details of such shareholders along with details of shares due for transfer to IEPF on its website at www.cpcl.co.in. Shareholders are requested to refer to the web link https://cpcl.co.in/investors/share-holder-information/iepf/ to verify the details of the shares liable to be transferred to IEPF. The details of shares transferred to IEPF earlier are hosted on the website of the company https://www.cpcl.co.in/investors/share-holder-information/iepf/.

Notice is hereby given to all such shareholders to make an application to the Company / Registrar & Transfer Agent (RTA) viz., KFin Technologies Limited by 28.09.2023 for claiming the unpaid dividend for the Financial Year 2015-2016 onwards so that the shares are not liable to be transferred to the IEPF. It may please be noted that if no reply is received by the Company or the RTA by 28.09.2023 the Company will be compelled to transfer the abovementioned Unpaid Equity Dividend and shares on or before 06.10.2023 to the IEPF, without any further notice and no claim shall lie against the Company. The shareholders holding shares in physical form and whose shares are liable to be transferred to IEPF Authority, may note that upon such transfer the original share certificate(s) lying with them will stand automatically cancelled and deemed non-negotiable. The Company will be preparing new share certificate(s) in lieu of such original share certificate(s) for transfer of the same to IEPF Authority.

It may also be noted that the shares transferred to IEPF, including all benefits accruing on such shares, if any, can be claimed back from the IEPF Authority after following the procedures prescribed under the Rules. For any further clarification on the matter, please contact Mr.Mohd. Mohsinuddin, KFin Technologies Limited, Selenium Tower B, Plot Number 31-32, Financial District, Nanakramguda, Hyderabad – 500 032; Toll Free No.: 1800 309 4001; E-mail Address: mohd.mohsin@kfintech.com / einward.ris@kfintech.com.

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

Particulars	No. of Shares
Shares in the demat account of IEPF Authority as on 01.04.2022	505966
Add: Shares transferred to demat account of IEPF authority during 2022-2023	NIL
Less: Shares claimed by investors from IEPF authority	600
Shares in the demat account of IEPF Authority as on 31.03.2023	505366

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

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

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

y) **CREDIT RATING:**

Credit rating assigned to Chennai Petroleum Corporation Ltd. for various Debt Instruments by Rating Agencies is given below:

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

z) No funds have been raised through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) during 2022-2023.

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

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

bb) EMPLOYEE STOCK OPTIONS:

No Employee Stock Options was given during the Financial Year 2022-2023.

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

The Company has not entered into any commodity hedging transactions during the year 2022-2023.

dd) PLANT LOCATIONS:

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

ee) ADDRESS FOR CORRESPONDENCE:

Chennai Petroleum Corporation Limited, No.536, Anna Salai, Teynampet, Chennai – 600 018

Phone: 044-24349833 / 24346807

Email: shankarp@cpcl.co.in & sriramas@cpcl.co.in

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

DIRECTORS' REPORT 2022-23

To the family of CPCL Shareowners,

On behalf of the Board of Directors of your Company, I am pleased to present the 57th Annual Report and the 1st Integrated Annual Report on the working of your Company, together with the Audited Statement of Standalone and Consolidated Accounts, Auditors' Report and the Report of the Comptroller & Auditor General of India on the Standalone and Consolidated Accounts for the year ended March 31, 2023.

PERFORMANCE REVIEW

Financials (Standalone and Consolidated)

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

(Rs. in crore)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Gross Turnover	90801	60402	90801	60402
Profit Before Finance Cost, Depreciation and Tax	5712	2748	5703	2741
Finance Cost	330	412	330	412
Depreciation, Amortisation and Impairment	573	504	573	504
Profit Before Tax (before Share of Profit of Joint Ventures)	4809	1832	4800	1825
Share of Profit of Joint Ventures	-	-	6	16
Profit Before tax	**4809**	**1832**	**4806**	**1841**
Tax Provision	1275	490	1275	489
Profit After tax	**3534**	**1342**	**3531**	**1352**

Analysis of Profitability

The Company posted the highest ever Profit Before Tax of Rs.4809 Crore (higher by 162%) and Profit After Tax (PAT) of Rs.3534 Crore.

This excellent financial performance is due to stellar operating performance with highest ever Crude throughput of 11.316 MMT and focussed improvement on reliability coupled with feed optimization which enabled secondary unit to surpass the previous best. This was also supported by robust margin which prevailed in the international market during the FY 2022-23.

The GRMs thereby increased from US $8.85/bbl in 2021-22 to US$ 11.91/bbl in 2022-23.

Highlights

- During the FY 2022-23 your Company recorded an all-time high turnover of Rs.90801 Crore, Profit Before Tax (PBT) of Rs.4809 Crore and Profit After Tax (PAT) of Rs.3534 Crore.
- Recommended highest ever dividend of 270% on the paid up Equity Share Capital of the company.
- Nil comments from C&AG for FY 2022-23 - 19th year in succession

Issue of securities / change in share capital

During the year 2022-23, there is no change in the share capital of the company. No securities were issued during the year.

Dividend

Article 114 of the Articles of Association and Guidelines on Capital Restructuring of Central Public Sector Enterprises dated 27th May, 2016 issued by the Ministry of Finance, Department of Investment and Public Asset Management (DIPAM), Government of India together constitute the Dividend Distribution Policy of the Company and the same is hosted on the website of the Company under the link https://www.cpcl.co.in/Policies/2018/dividend%20distribution%20policy.pdf

Our Board has recommended a Dividend of 6.65% on the paid up outstanding preference share capital of the Company, representing Rs.0.665 per preference share amounting to Rs.33.25 crore for the year 2022-23. Considering the all-time high profits earned by the company during FY 2022-23, the Board has recommended a dividend of 270% on paid-up Equity Share Capital of the Company amounting to Rs.27/- per share as on 31.03.2023 amounting to Rs.402 Crore.

Book Value and Reserves and Surplus

There has been significant accretion to the reserves of the Company due to enhanced profitability. The reserves and surplus as on 31st March, 2023 more than doubled to Rs.6132.05 crore as compared to Rs.2641.32 crore as on 31st March, 2022.

The book value per share of your Company as on 31.03.2023 increased significantly to Rs.421.79 as compared to Rs.187.38 as on 31st March, 2022.

Value Addition

The value addition during the year 2022-23 witnessed a steep increase at Rs.6797 Crore as compared to Rs.3835 Crore in the previous year.

Digital India Initiatives

Your company has achieved 100% digital transactions during the financial year 2022-23.

Contribution to Exchequer

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

(Rs Crore)

Particulars	2022-23	2021-22
Central Exchequer	16453	18124
State Exchequer	1275	798
Total	**17728**	**18922**

Capex

Your Company has incurred Capital Expenditure of Rs.654.06 crore for the year 2022-23 as compared to Rs.647.77 crore in the previous year 2021-22.

Public Deposit Scheme

Your Company has not accepted any public deposit during the year 2022-23 and no public deposit was outstanding as on 31st March, 2023.

Credit Rating

The company's financial prudence is reflected in the strong credit ratings assigned by the Credit Rating agencies. The details of Credit Ratings are as under:

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

Transfer of Unclaimed Dividend to IEPF

No dividend amount / shares is required to be transferred to the Investor Education & Protection Fund (IEPF) as per Section-124 of the Companies Act, 2013 during the year 2022-23, as no dividend was declared in view of the losses for the FY 2014-15.

₹ 3,534 Crore

Highest ever profit after tax during the year

Corporate Overview

Statutory Report

Financial Statement

OPERATIONAL PERFORMANCE:

PHYSICAL:

CRUDE OIL throughput (in Thousand Metric Tonnes(TMT)	2022-23	2021-22
Imported	9373	7208
Indigenous	1943	1832
Total Throughput	**11316**	**9040**
PRODUCTION (in TMT)		
Light Ends	2587	2178
Middle Distillates	6217	4842
Lube Base Stock	236	195
Wax	28	23
Heavy Ends	1487	1134
Intermediates differential	(19)	88
Other Inputs	(270)	(328)
Fuel & Loss	1049	909
Total Output	**11316**	**9040**
Distillate Yield	76.0	74.9
Fuel and Loss (%)	9.06	9.71

(TMT = Thousand Metric Tonnes)

Operational Performance

Your Company achieved a throughput of 11.316 MMT in 2022-23 as against MoU target of 10.73 MMT and surpassed Name plate capacity of 10.5 MMTPA for the first time and achieved the highest ever crude processing as against the previous best of 10.289 MMTPA in 2017-18. The distillates yield achieved for 2022-23 was 76.0% as compared to 74.9% in 2021-22.

The Energy Intensity Index (EII) recorded was the lowest ever at 89.2 against the previous best of 96.2 in the year 2021-22. The specific energy consumption recorded was the lowest ever at 74.2 against the previous lowest of 81.4 in the year 2019-20 and achieved Perform Achieve and Trade (PAT) cycle -VI target of 76.8. The operational availability during the year was 98.9% against the target of 97%. Fuel & Loss was lower at 9.06 % as compared to 9.71% in the previous year.

Your Company clocked the highest ever Once Through Hydro Cracker Unit (OHCU) throughput of 2,372 TMT against the previous best of 2,307 TMT in 2019-20. Delayed Coker unit (DCU) achieved highest ever throughput of 1975 TMT surpassing previous best of 1405 TMT in 2019-20.

Your Company clocked the highest ever production and dispatch in respect of the following:

Product	Production in TMT			Despatch in TMT		
	Production Quantity in 2022-23	Previous best Quantity	Previous best year	Despatch Quantity in 2022-23	Previous best Quantity	Previous best year
Naphtha	976	815	2019-20	1015	856	2019-20
Hexane	28.4	26.7	2021-22	27.8	26.6	2021-22
Motor Spirit (MS)	1142	1107	2017-18	1150	1121	2016-17
Mineral Turpentine Oil (MTO)	31.4	8.1	2021-22	31.4	8.1	2021-22
Aviation Turbine Fuel (ATF)	1039	1016	2019-20	1023	996	2019-20
High Speed Diesel (HSD)	5041	4677	2018-19	5065	4404	2018-19
Petcoke	539	414	2019-20	562	409	2019-20
Sulphur	129	99	2019-20	128	99	2019-20

11.316 MMT

Highest ever throughput achieved by your company

Some of the other highlights of Operational Performance during the year are as under:

- Successfully processed five new crudes viz., Tupi from Brazil; Kole from Cameroon; Urals from Russia; Sokol from Russia and ESPO from Russia.
- Highest ever monthly Mineral Turpentine Oil (MTO) dispatch of 5.8 TMT in Jan'23 surpassing the previous best of 4.8TMT (Sep'22).
- Highest ever monthly Fluidised Catalytic Cracking Unit (FCCU) throughput of 96.6 TMT in Jan'23 surpassing the previous best of 95.8 TMT in Mar'22.
- Highest ever Lube Oil Base Stock (LOBS) production and dispatch of 236 TMT and 241 TMT respectively, in the last ten years.
- Highest ever monthly Once Through Hydro Cracker Unit (OHCU) throughput at 227 TMT in May'22 which surpassing the previous best of 222 TMT (Mar'22).
- Highest ever monthly throughput of Delayed Coker Unit (DCU) at 198 TMT in May'22 surpassing the previous best of 183 TMT (Mar'22).
- Highest ever Hexane production and dispatch at 3.1 TMT in Apr'22 surpassing the previous best of 2.8 TMT (July'21).
- Successfully produced and supplied 39.7 MT of JP-7(Jet Fuel) to Defence Research and Development Organisation (DRDO) during Oct'22.
- Successfully produced and dispatched new product LSHS (Premium) during Feb'23.
- First time export of Naphtha co-loading with Paradip Refinery during Jun'22.
- Exported higher parcel size of Naphtha (55 TMT parcel) directly from Chennai port during Jul'22 (Double berthing).
- Successfully completed HSD Export parcel of 40 TMT to M/s. Ceypetco, Sri Lanka in May'22.

MOU PERFORMANCE

Your Company has received "Excellent" rating for its performance during FY2021-22 with respect to the MoU signed with its holding Company, Indian Oil Corporation Limited (IOCL). Further, your company had signed MoU with IOCL for FY 2022-23, as per the guidelines issued by the Department of Public Enterprises (DPE), which shall be evaluated in due course of time.

MARKETING

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

Apart from the above, the details of sale of products through direct marketing by your company during 2022-23 as compared to the previous year 2021-2022 are given below:

PRODUCT	SALE QTY (IN MT)	
	2022-23	2021-22
A: Downstream Products		
Linear Alkyl Benzene Feed Stock (LABFS)	68065	77141
Butene +Methyl Ethyl Ketone Feed Stock (MEKFS)	19325	19802
Propylene	34706	34068
Poly Butene Feed Stock (PBFS) +Lean PBFS	10311	11695
B: Other Products		
Paraffin Wax	28909	23494
Hexane	22762	21876
Sulphur	125168	81125
Pet-Coke	562308	349349
Mineral Turpentine Oil (MTO)	31390	8159
Furnace Oil	4007	4030
TOTAL	**906951**	**630739**

During the year, your company achieved substantial growth in the sale of products like Propylene, Paraffin wax, FG Hexane, MTO through proactive marketing initiatives and also achieved highest ever sale of FG Hexane, MTO & Sulphur during 2022-23. Direct sale of products recorded an increase of about 44 %, from 631 TMT in 2021-2022 to 907 TMT during 2022-2023.

RESEARCH & DEVELOPMENT (R&D)

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

During the year various studies were carried out as under:

- Evaluation of lube potential for various crude mixes (3 Nos.) through pilot plant aromatic extraction studies and lab scale dewaxing studies
- Hydro-treatment of Heavy Coker Gas Oil (HCGO) to evaluate its suitability as feedstock for Fluidised Catalytic Cracking Unit (FCCU)
- Evaluation of FCC GDS unit's suitability for processing of Heavy Naphtha
- Feasibility of paint grade MTO production out of syn. Naphtha from Diesel Hydro-Treating Unit (DHDT).

PROJECTS

Your Company achieved a capex of Rs.654.06 crore, during the year.

Union Minister of State for Petroleum & Natural Gas and Labour & Employment visited CPCL's Manali Refinery and kickstarted commissioning activities of BS SRU Block

MAJOR COMPLETED PROJECTS

Fuel Quality Upgradation Project:

During the year, as part of Fuel Quality Upgradation project, your company had commissioned the new Sulphur Recovery Block consisting of SWS (Sour Water Stripper), ARU (Amine Regeneration Unit) and SRU (Sulphur Recovery Unit).

₹ 654.06 Crore

Capital expenditure (Consolidated) incurred during the year

BS-VI SRU Overview

OTHER COMPLETED PROJECTS

I. Roof Top Solar System in Plant & Non-Plant Area Buildings

Installation of Roof top solar system in plant and non-plant area buildings with total capacity of 915 KW completed and commissioned in all locations.

Solar Roof Panels in SS-2

PROJECTS UNDER IMPLEMENTATION:

Pharma Grade Hexane Production at Manali Refinery:

Your company is envisaging production of Pharma Grade Hexane in the Isomerization Unit. The objective of the revamp is to replace existing conventional column internals with Divided Wall Column (DWC) Trays and internals followed by Benzene saturation reactor for production of 35000 MTPA Pharma Grade Hexane.

The estimated cost of the project is Rs.67.15 Cr (net of GST Credit) and is expected to be completed in FY 2023-24.

Cauvery Basin Refinery & Petrochemicals Ltd. (CBRPL) Project:

Your company along with Indian Oil Corporation Limited (IOCL) in Joint Venture Mode is setting up a new grass root refinery of 9 MMTPA capacity with petrochemical facilities at Nagapattinam, Tamil Nadu. The new refinery will be set up in an area of about 1300 acres, out of which 618 acres is already owned by your company and the balance land is under advanced stage of acquisition. This new refinery will produce Petrol and Diesel of Bharat Stage-VI specifications and Polypropylene as a value added product.

Joint Venture Company(JVC), Cauvery Basin Refinery and Petrochemicals Limited (CBRPL) was incorporated on 06-Jan-2023 between IOCL, CPCL & other seed equity investors.

Signing of Joint Venture Agreement for CBRPL

Contract had been awarded to all 4 EPCM consultants. M/s KPMG was also lined up as Owner's Project Management Consultant (OPMC). Engineering and Procurement activities are in progress. Tenders for all Lump Sum Turn Key (LSTK) and Build Own & Operate (BOO) contracts are ready for award and tenders for all critical equipment were already floated. Site enabling works viz., Site grading, Construction power & Construction water works are gathering momentum at site.

Roadshows were conducted at site pertaining to opportunities that are available for all major Stakeholders of the Project. Roadshows also acted as a channel to reach out to the broader local community, spreading a message of possible socio-economic benefits emanating from the project. Local suppliers of land, utilities, soil, sand, aggregates, and other materials also attended the event to gain insight into potential opportunities. The event saw massive participation not only from large partners and multinational companies across India but also from local and regional players.

CBR Project- Roadshow

Digital Control Tower (DCT) for effective project monitoring of the project was installed at both Corporate office and project site. DCT can be accessed through mobile application & desktop.

Inauguration of Digital Control Tower

FUTURE PROJECTS

Group II/III LOBS Projects

Your company is planning to implement a project for production of Group II/III Lube Oil Base Stocks. First stage approval for the project has been received. Pre-project activities such as preparation of BDEP for Process Units and Detailed Feasibility Report (DFR) have been completed. Application for obtaining Environment Clearance has been filed with MoEFCC.

INFORMATION TECHNOLOGY

Your Company has undertaken the following initiatives during the year:

- Implemented the first of its kind Bulk Voice Messaging system to Emergency Fire Coordinators.
- Critical perimeter firewall replaced with best-in-class appliance with next Generation features.
- Endpoint Detection and Response (EDR) agent installed in all desktops for Artificial Intelligence (AI) based threat detection and response.
- IT security Audit of all critical IT assets carried out through CERT-In empanelled agency.

HEALTH, SAFETY AND ENVIRONMENT

Health

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

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

- Webinar on Healthy Lungs and Common Gynecological Issues

- Health talk on Hazards of Tobacco / smoking and Healthy Heart – Healthy Life.

- Medical Camp for Contract Women Workers

- Six training programs on “First Aid and Occupational Hazards”
- 2 Free eye screening camps wherein 400 persons were examined and 24 persons were diagnosed with cataract and were taken to Sankara Nethralaya eye Hospital for surgery. Free spectacles were distributed for deserving.

- Voluntary Blood Donation Camp held at Occupational Health Services at CPCL in coordination with Government Hospital, Chennai. 175 of our employees had the noble deed of Blood Donation on this occasion.

Safety

Your Company adheres to the highest standards of safety while carrying out its operations.

Total Accident free days and fire free days achieved as on 31.03.2023 are 1281 and 1153 respectively. The significant safety initiatives undertaken during the year include the following

- Onsite Emergency Mock Drills including rescue from height scenario and a Night Hour Onsite Mock Drill conducted at Manali Refinery as per Emergency Response and Disaster Management Plan.
- Monthly Mock drills with different scenarios to check the preparedness of systems and healthiness of the equipments.
- As a part of Behaviour Based Safety implementation, training programs were arranged.

- Emergency Voice Call facility was developed to intimate all Coordinators and Top Management about the Emergency in the plant, if any.
- Offsite Emergency Mock drill conducted at Madras Fertilizers Limited on 22nd June 2022 on behalf of Manali cluster of industries , under the Chairmanship of Thiru M.Sivaguru Prabakaran, IAS, Regional Dy. Commissioner (North), Greater Chennai Corporation. Your Company played a major role in the activities related to Offsite mock drill.
- Near Miss Incidents (NMI) Liquidation Committees were formed for follow up and ensure closure of pending NMIs and for suggesting mitigation measures for the pending NMIs. Number of Fire Incidents and Injuries have come down drastically due to the focus given on liquidation of Critical NMIs in particular.
- Inherent Fire Retardant (IFR) suits were made compulsory for all Employees and workers before entering into plant. IFR suits are issued to eligible employees in this regard.
- Pressure Fed Fuel Fire Training (PFFFT) was imparted to 5 batches of Airports Authority of India (AAI) employees covering 103 personnel.
- Live Fire Drill Trainings for IOCL Employees - 97 Employees were covered in the three programs that were conducted in June'22, Sep'22, and Mar'23.


Live Firefighting Training imparted to IOCL Employees

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Safety Audits conducted during the year were as under:

- 11th External Safety Audit (ESA) by OISD in October 2022
- Internal Safety Audit in September 2022.
- Pre Commissioning Safety Audit of BS-VI SRU between 04.08.22 & 05.08.22 by OISD.
- Safety audit by the PESO approved third party agency viz., M/s. Hubert Enviro Care Systems Pvt Ltd (HECS) as per PESO guidelines in Mar'23.

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

The Parliamentary Committee visited your Manali Refinery in Sept'22 to review the Emergency Response and Disaster Management Plan (ERDMP) in CPCL and appreciated the efforts taken by the CPCL team.

Parliamentary Committee on Sub-ordinate Legislation, Rajya Sabha under the Chairmanship of Hon'ble Member of Parliament Mr.Akhilesh Prasad visited CPCL's Manali Refinery on September 13, 2022 to review the Emergency Response and Disaster Management Plan (ERDMP) in CPCL.

Environment

Your Company is committed to protect the environment in which it operates and is complying all the statutory requirements with respect to Environment such as Environment Protection Act, MINAS, NAAQM standards, etc.

Several Environmental initiatives undertaken during the year are as under:

- Azadi Ka Amrit Mahotsav (AKAM) was celebrated with Tree Plantation drive on 08.06.2022. 500 saplings were planted in Amullaivoyal area near Manali where Green Belt is already developed.

- Towards creating awareness among public to avoid single use plastic, distribution of cotton bags to Tamilnadu Government was carried out.
- World Environment Day (WED) was celebrated with the theme "Solutions to Plastic Pollution" on 5th June 2023.

World environment day celebrations

During launch of Green Tamil Nadu Mission in Chennai in Sept'22, a cheque for Rs.35 Lakhs was presented to Hon'ble Chief Minister of Tamil Nadu on behalf of Manali Industries including your company's contribution of Rs.15 Lakhs for plantation of trees.

- 500 Nos of Miyawaki saplings planted in LPG Plant covering 0.05 acre of land in August 2022.
- Leak Detection and Repair Programme (LDAR) was conducted in December 2022
- 915.3 KW solar panel installed in Manali Refinery during FY 2022-23
- Your company has been certified for Energy Management System (ISO 50001) in March 2023.

In recognition of efforts taken by the company, your company was awarded the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH award for excellence in Industrial Disaster Risk Management in Feb-2023 by Federation of Indian chambers of Commerce (FICCI).

ENERGY CONSERVATION

Your company lays utmost emphasis on optimum usage of energy by implementing several energy conservation measures.

During the year, your company achieved an Specific Energy Consumption (MBN) and Energy Intensity Index (EII) of 74.2 and 89.2 (Best achieved) respectively as against 82.6 and 96.5 in 2021-22. 28 numbers of energy conservation measures were implemented successfully during the year 2022-23. This resulted in energy savings of 14516 Standard Refinery Fuel Tonne (SRFT) per annum which is approximately 0.13% reduction in F&L. The details of energy conservation measures are given in **Annexure I**. Furnace Efficiency Audit was conducted by CHT External Auditors as part of SAKSHAM 2023. Furnace efficiency has increased to 84.7% in 2023 survey from 78.9% in 2020 survey.

Oil & Gas Conservation Fortnight (SAKSHAM 2023) with the theme "Energy Conservation towards Net Zero" was observed from 24th April to 8th May 2023 as per the directives of Ministry of Petroleum and Natural Gas (MoP&NG) to create awareness among the masses about conservation of Oil and Gas.

Cyclothon was conducted for Chennai Public at CPCL Polytechnic College at Manali.

RELIABILITY IMPROVEMENT INITIATIVES

Your company has taken several measures to ensure reliability of its refinery operations which are as under:

Cyber Security

- To reinforce the Operational Technology (OT) system, M/s E&Y (Ernst & Young LLC) was awarded the contract for OT Cyber security audit. Audit commenced since April 2023 and is under progress.
- Procurement of Hardware and Software for OT cyber security (Dedicated OT Network creation) initiated.
- To ensure reliable operation of power system, Cogen and Captive Power Plant's (CPP) Programmable Logic Controller (PLC) are being replaced with state-of-art PLC Control systems.

HUMAN RESOURCES

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

Manpower Details:

The committed workforce of 1466 continued to perform their duties, despite challenges posed by COVID-19 to fuel the country. The total number of employees as on 31st March, 2023 was 1466 comprising of 753 Executives and 713 Non-executives.

New Initiatives:

The following initiatives were taken up by your Company during the year 2022-23

- Competency Development Program was conducted for our employees in Grade D and above by premier institute viz. XLRI, Jamshedpur on all eight competencies (Operational, Customer, Content, Talent, Relationship, Business Result, Change and Strategic) and Mentorship.
- The Company provides comprehensive welfare facilities to its employees to take care of their health, efficiency, economic betterment, etc., and to enable them to give their best at the workplace. The Company supports participative culture in the management of the enterprise and has adopted a consultative approach with collectives, establishing a harmonious relationship for industrial peace, thereby leading to higher productivity.
- The Company engaged apprentices under various categories like Trade/ Technician/ Graduate. The apprentices were imparted practical inputs with a structured monitoring and assessment methodology.

Learning & Development:

During the year 2022-23, your company has achieved 3.21 Average Training Man-Days against the target of 2.5 Man-Days. 259 Training programmes have been conducted and 1236 employees have attended the training.

89.2

Energy intensity index best achieved your company

Trade Union Development Programme

MD inaugurating the Leadership Development Programme

Other initiatives in the areas of training are as under:

- Core Course Module I Training on "Refinery Operations" conducted for 15 Supervisory Employees from 23rd May 2022 to 27th May 2022 at Refinery Engineering School of Training (RESOT).
- 11 days Mid-Career training for Officers with experience of more than 10 years conducted from 29th September 2022 to 11th October 2022, covering 10 Supervisory employees.
- Behavior Based Safety Training Programme conducted for 108 employees on 30th January 2023 and 31st January 2023 at RESOT & HRD Centre.
- Strategic Leadership Competency Development Program (CDP) , Business Result Leadership CDP and Mentorship Programs were conducted for employees in Grade D, E, F & G for six days by XLRI at RESOT. 24 Supervisory employees have attended the training.
- Core Course Module III Training on "Instrumentation and Electrical Maintenance" was conducted for 18 Supervisory Employees.
- Competency Development and Mentorship programs conducted for employees in Grade C & D. 17 Supervisory employees attended the training.
- Following activities are completed under the Learning Management System (LMS):
  - Training Need Assessment conducted for Supervisory Employees. 664 Employees attended the assessment in LMS platform.
  - Individual Development Plan (IDP) prepared for the Supervisory Employees based on their performance in Training Need Assessment.
  - Training Calendar prepared for the Financial Year April 2023 to March 2024.

Reservation in respect of SC/ST/OBC/PWD:

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

Out of the total manpower, there were 300 SC employees and 50 ST employees as on 31st March, 2023, constituting 20.46% and 3.41% of the total manpower respectively.

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

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

Compliance with Prevention of 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 Prevention of 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 sensitize all employees about the provisions of the Act. Regular workshops were organized, especially for women employees to bring awareness about their rights and facilities at the workplace emphasizing the provisions of the Act. There were no complaints of sexual harassment during the year.

Women Empowerment:

Your Company is committed to diversity and inclusiveness and focusses on women development & gender equality. As on 31st March, 2023, 76 women employees are on the rolls of the Company, of whom 61 are in the supervisory cadre and 15 are in non-supervisory cadre, constituting 8.10% of the total supervisory employees and 2.10% of the total non-supervisory employees.

Management has conducted meeting with the representatives of Women Cell to encourage the well-being of women employees.

International Women's Day was celebrated on 08.03.2023. Special Invitee Dr.A.Sadhana Rajkumar, spoke on the importance of nutrition and proper diet for better health and mental and physical development of women.

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

Your Company continuously undertakes Corporate Social Responsibility initiatives that cater to the urgent and essential needs of the local community.

As per your company's Corporate Social Responsibility (CSR) Vision "Strive for Educated, Healthy, Economically Developed and Environmentally Protected community around the Refineries", the CSR activities are carried out in the thrust areas which includes providing safe drinking water, health care, sanitation, education, employment, enhancing vocational skills, empowerment of women and environmental sustainability.

To achieve your company's CSR vision, CSR projects are designed with the aim to positively impact economic and social conditions of the communities in which it operates, to make efforts towards self-sustainability of CSR projects and to take initiatives on environmental sustainability.

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

Hon'ble MP Dr. Kalanidhi Veeraswamy (North Chennai) inaugurated the Eye Camp at Tiruvottriyur in the presence of MD, CPCL.

Hon'ble MP Dr. Kalanidhi Veeraswamy (North Chennai) inaugurating the medical equipment to RSRM Hospital in the presence of MD, CPCL and other Officials

MD, CPCL encourages Chess Players at the 44th Chess Olympiad 2022 at Mahabalipuram, Chennai

Showcasing CSR achievements - MD, CPCL explains to Hon'ble Finance Minister at IIT-M

As the average of Net Profits for the preceding three financial years was negative, there was no mandate to spend amount towards CSR for the year 2022-23. Despite this, to sustain the ongoing CSR projects, your company had spent a sum of Rs. 604.13 Lakhs.

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

Corporate Environment Responsibility (CER):

During the year, the following activity was carried out under CER:

- Contributed for Green Tamil Nadu Mission, to Government of Tamilnadu for planting trees to increase the green cover in the State from 24% to 33%.

VIGILANCE

The vigilance department of your company continues to pursue and lay great emphasis on preventive vigilance measures.

During the year, various system improvement measures, such as "Alert generation from SAP system about pending returnable materials to higher authorities to ensure return of outstanding materials', "Elimination of restrictive conditions in PQ (Pre-Qualification) Criteria to increase competition" etc., have been incorporated.

In line with CVC's guidelines, notice inviting tenders, tender documents and details of purchase orders and contracts awarded, including those awarded on nomination basis are hosted on the Company's Website.

As per the guidelines of Central Vigilance Commission a separate audit on "Integrity of Automated Systems" in the Organization was done by a duly constituted Committee and the areas vulnerable for cybercrimes/frauds and other malpractices were identified. The recommendations given by the Committee to overcome the vulnerability have been implemented.

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

Your company has implemented the Integrity Pact (IP) as per the guidelines of the Central Vigilance Commission. Periodical meetings with Independent External Monitors (IEMs) are also being held by the Management once in every Quarter to review Integrity Pact implementation status and other relevant issues.

To increase Vigilance awareness, training programs on "Preventive Vigilance & PIDPI Complaint Handling System" for newly joined Engineers and for the serving employees who have completed more than 15 years of service were organized.

Vigilance Awareness Week 2022 was observed from 31st October, 2022 to 6th November, 2022 with the theme - "Corruption Free India for a Developed Nation".

₹ 6.04 Crore

Corporate Social Responsibility expenditure spent by your company


Unveiling of Vigilance Awareness Week Poster 2022

Managing Director administrating Integrity Pledge

There were no pending disciplinary proceedings or prosecution cases as on 31st March, 2023

PUBLIC GRIEVANCES

Your Company is committed to redress the public grievances on time. Contact details of Public Grievance Officer are displayed on the website of the Company under the link https://www.cpcl.co.in/connect/citizen-charter/public-grievance. During the year 2022-23, 14 public grievances were received and disposed of in time.

CORPORATE GOVERNANCE

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In accordance with SEBI (LODR) Regulations 2015, the Business Responsibility and Sustainability Report, forms part of the Integrated Annual Report and is being hosted in the website of the company.

AUDIT COMMITTEE

The composition of the Committee as on 31st March, 2023 is as under:

- Mr.Ravi Kumar Rungta- Independent Director – Chairman
- Dr.C.K.Shivanna, Independent Director – Member
- Mr.Deepak Srivastava – Government Nominee Director – Member

Director (Finance), CPCL 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/codeofconduct. The Directors and Senior Management Personnel have affirmed compliance with the Code of conduct and the same was informed to the Board at the meeting held on 27.04.2023.

RISK MANAGEMENT

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

The composition of Risk Management Committee as on 31.03.2023 are as under:

- Mr.Arvind Kumar, Managing Director – Chairman of the Committee
- Mr.S.Krishnan, Director (Operations) – Member
- Mr.H.Shankar, Director (Technical) – Member
- Mr.Rohit Kumar Agrawala, Director (Finance) – Member
- Mr.Ravi Kumar Rungta, Independent Director – Member
- Ms.Sukla Mistry, Nominee Director, IOCL – Member

The Action Taken Report on the Risk Management Policy for the Financial Year 2022-23 containing the mitigation measures on various High, Medium and Low risks were reviewed by the Risk Management Committee on 26.04.2023 and by Audit Committee and Board on 27.04.2023.

INTERNAL FINANCIAL CONTROLS

Your Company has put in place adequate systems of internal controls and documented procedures covering all financial and operating functions commensurate with the size of the Company and the nature of its business to provide reasonable assurance with regard to maintaining proper accounting controls, monitoring economy & efficiency of operations, protecting assets from unauthorized use or losses and ensuring reliability of financial and operational information.

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

The Statutory Auditors, in their report dated 27.04.2023, 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, 2023 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. G.M.Kapadia & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company for the financial year 2022-23 by the Comptroller and Auditor General of India. The Board of Directors of the Company fixed a remuneration of Rs.0.21 crore towards statutory audit fees in addition to out-of-pocket expenses, if any, and applicable GST.

There are no qualifications in the Statutory Auditors report dated 27.04.2023 on the annual accounts for the financial year 2022-23.

Comptroller and Auditor General of India (C&AG) Audit

Supplementary Audit of Financial Statements: The Standalone and Consolidated Financial Statement for the Financial Year ended March 31, 2023, were submitted to the C&AG for supplementary audit. The C&AG have conducted supplementary audit. No action is pending w.r.t financial statements for FY 2022-23. CAG Report is forming part of Annual Report 22-23.

C&AG paras from other audits:

In addition to the supplementary audit of the financial statements mentioned above, the C&AG conducts audits of various nature including Compliance audit, Thematic audit, etc. As on March 31, 2023, there are 12 pending audit paras on various subjects, for which replies were furnished.

COST AUDITORS

M/s. Vivekanandan Unni & Associates, Cost Accountants, Chennai were appointed as the Cost Auditor of the Company for the Financial Year 2022-23 at the remuneration of Rs. 2,75,000/- plus applicable taxes and out of pocket expenses, if any, to conduct the audit of Cost Accounts maintained by the Company subject to ratification by the shareholders in the Annual General Meeting.

The cost audit for the year 2021-22 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 2022-23 would also be filed within the stipulated time.

SECRETARIAL AUDIT

Your Company has appointed M/s. A.K. Jain & Associates as the Secretarial Auditors, for the year 2022-23.

The Secretarial Audit Report for the year 2022-23 confirms that the Company has complied with all the applicable provisions of the Companies Act 2013 and the rules made thereunder and other applicable acts, rules, guidelines, applicable secretarial standards, etc. and the findings are as under:

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

ii) The Nomination and Remuneration Committee was not having 2/3rd Independent Directors - Reg. 19.

iii) The Stakeholders Relationship Committee did not have an Independent Director as its member for the period 01.11.2022 till 30.03.2023 as required under Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

It is clarified as under:

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

2) As and when additional independent directors are appointed by Government of India, the Nomination and Remuneration Committee will be reconstituted to ensure compliance with minimum 2/3rd independent directors.

3) The Stakeholders Relationship Committee has been reconstituted with the induction of one independent director on 31.03.2023

The report, duly certified by a Practicing Company Secretary, is attached as **Annexure-VI** 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.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

One separate meeting of Independent Directors (6th) was held on 04.06.2022

REPORTING OF FRAUDS BY AUDITORS

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

PUBLIC PROCUREMENT POLICY FOR MSME's

The details of the actual values of total procurements of materials and services (total value excluding Crude, Gas, Power & License Fee) by your company during the financial year 2022-23 as against the target fixed by the Government of India are given below:

S.N	Details	Value of procurements Rs. Crore (excluding Crude, Gas, Power & License Fees)	% age target achieved	Target set by the Govt.
1	Total value of procurements	955.50		
2	Procurements from MSEs (General, Reserved SC/ST & Women)	372.25	38.96%	25%
3	Procurements exclusively from Reserved SC/ST MSEs	57.83	6.05%	4%
4	Procurements exclusively from Women owned MSEs	2.11	0.22%	3%

- During the year 2022-23, nine Vendor Development Programmes were conducted by CPCL for the benefit / development of the MSEs. Two exclusive programmes (development meets) were conducted by CPCL for the benefit of Reserved SC/ST MSEs and Women owned MSEs in association with the officials from the CII, MSME-Development Institute, National SC-ST Hub Office-Government of India. During these programmes, the procedure followed by CPCL for vendor registration, benefits and purchase preference extended to the MSEs, details of materials & services which can be procured from the MSEs were explained in detail to the MSME's.
- Your Company participated in the MSME Connect 2023 – a Vendor Development Program cum Exhibition of Products on 3rd and 4th March 2023 organized by MSME Development and Facilitation Office, Chennai and Facilitating MSME's (FaME)TN, a MSME Department of Government of Tamil Nadu at Guindy Industrial Estate, Chennai. CPCL set up an exclusive stall to showcase the procurement requirements from MSE segment to the prospective vendors who participated in the meet.

MD, CPCl receiving the Award from Hon'ble Minister for MSME, GoTN

Procurements through the GeM Platform:

The procurement through the GeM portal accounted for 57.57% (Rs.550.07 Crore) of the total procurements (Rs.955.50 Crore) during the year 2022-23.

MSEs procurements target for FY 2023-24:

Your Company has earmarked 25% of total procurements to be made from the MSEs for the FY:2023-24 in accordance to the PPP for MSEs Order 2012 of the Government of India. Out of this 25% target, 4% is earmarked for procurements from Reserved SC/ST MSEs and 3% is earmarked for procurements from Women owned MSEs.

Awards and Recognition:

In recognition of your Company's performance of exceeding the mandated targets with respect to procurement from MSME's, your company has been awarded the MSME Ecosystem Awards under "Excellence in MSE Procurement category" instituted by FICCI-CMSME on 05.12.2022 and "Certificate of Appreciation" for highest procurement in SC/ST Category MSEs from Ministry of MSME on 18.11.2022.

MSME Ecosystem Awards for "Excellence in MSE Procurement category" instituted by FICCI-CMSME, received by Director(Operations)

- Your Company received the Certificate of Appreciation for the highest procurement amongst Mini Ratna Central Public Sector Enterprises (CPSEs) from SC-ST category under Micro, Small, Enterprises (MSEs) during the financial year 2021-22 from the Ministry of MSME. The Certificate of Appreciation was presented at the CPSE Conclave on Public Procurement Policy at Vigyan Bhavan, New Delhi on 18.11.2022. The Conclave was inaugurated by Mr.Bhanu Pratap Singh Verma, Hon'ble Minister of State for Micro Small Medium Enterprises.

Certificate of Appreciation instituted by MSME for the highest procurement from SC-ST category under MSEs during the FY 21-22 received by Managing Director

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.23.67 crore. CPCL and Chevron hold 50% each in the share capital of IAL.

The Revenue from Operations of IAL is Rs.1196 crore during the year 2022-23, as against Rs.866.74 crore in the previous year. The Profit after Tax for the year 2022-23 was lower at Rs.11.13 crore because of higher input cost as against Rs.31.70 crore in the previous year. No dividend was recommended by the Board of IAL for the financial year 2022-23.

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.0.05 crore. CPCL and SPIC hold 50% each in the share capital of AROCHEM. Since the JV is not operational, the investments have been fully provided for diminution in value.

Cauvery Basin Refinery and Petrochemicals Limited (CBRPL):

Cauvery Basin Refinery and Petrochemicals Limited (CBRPL) was incorporated on 06-Jan-23 between IOCL, CPCL & other seed equity investors., for implementing a new grass root refinery of 9 MMTPA capacity with petrochemical facilities at Nagapattinam, Tamil Nadu. The new refinery will be set up in an area of about 1300 acres, out of which 618 acres is already owned by your company and the balance land is under advanced stage of acquisition. This new refinery will produce Petrol and Diesel of Bharat Stage-VI specifications and Polypropylene as a value added product. Contract had been awarded to all 4 EPCM consultants. Site grading, Construction power & Construction water works are gathering momentum at site.

RELATED PARTY TRANSACTIONS (RPTs)

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

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

REPORT ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS

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

PARTICULARS OF EMPLOYEES

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

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

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

1) The tenure of Mr. Amitabh Mathur and Mr. Myneni Narayana Rao, Independent Directors were completed on 29.07.2022. The tenure of Mrs. Sobhana Surendran, Independent Director was completed on 31.10.2022.

2) Mr. Rohit Kumar Agrawala has been appointed as Director (Finance) effective 01.03.2023 consequent to the superannuation of Mr. Rajeev Ailawadi on 28.02.2023.

3) Mr. K.Surendaran has been appointed as Independent Director effective 27.03.2023.

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

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

INDEPENDENT DIRECTORS

The Company received the Certificate of Independence from the Independent Directors confirming that they meet the criteria prescribed for Independent Directors under the provisions of the Companies Act, 2013, and SEBI (LODR). The Independent Directors were advised to register with the Database maintained by the Institute of Corporate Affairs (IICA) under the Ministry of Corporate Affairs. The Company being a Government Company, the power to appoint Directors (including Independent Directors) vests with the Government of India.

A separate meeting of Independent Directors was held during the year as per the provisions of the Companies Act and SEBI LODR.

BOARD MEETINGS

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The provisions of Section 134(3)(p) of the Companies Act, 2013, require a listed entity to include a statement indicating the manner of formal evaluation of performance of the Board, its Committees and of individual Directors. However, the said provisions are exempt for Government Companies as the performance evaluation of the Directors is carried out by the administrative ministry, i.e., Ministry of Petroleum and Natural Gas (MoP&NG), as per laid-down evaluation methodology.

DETAILS OF LOANS / INVESTMENTS / GUARANTEES

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

ANNUAL RETURN

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

COMPLIANCE WITH SECRETARIAL STANDARDS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

i) in the preparation of the annual accounts for the financial year ended March 31, 2023, 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, 2023, on a going concern basis;

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

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

RIGHT TO INFORMATION

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

During the year, a total of 160 requests were received and 148 requests were disposed off. The pending 12 requests were disposed off subsequently within time.

OFFICIAL LANGUAGE POLICY

Your Company complies with the directives issued by the Official Language Department, Ministry of Home Affairs, Government of India from time to time to increase the progressive use of Hindi.

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

The First Sub-Committee of Parliament on Official Language inspected your Company on 21.5.2022. The Committee held discussions on the implementation of Official Language Policy with our Managing Director. Director(Finance), Director(Technical), CVO and Hindi Officer attended the meeting. The Joint Secretary (Gen & Admin), MOP&NG and Deputy Director, Official Language, MOP&NG participated on behalf of MOP&NG. The Committee appreciated the work done by your Company with regard to the implementation of Hindi in your Company and extended special thanks for organizing the committee meeting very well.

Your Company celebrated Hindi Day on 28.09.2022. As a part of the Celebration, Hindi Singing and Hindi Essay competitions were held for employees. Our Managing Director presided over the functions and distributed prizes to the winners of the competitions. The CVO, CGMs, GMs, DGMs, Officers and other Employees participated in the celebration.

Your Company received Third Prize for excellent implementation of Official Language for the year 2021-22 at a meeting of Town Official Language Implementation Committee (PSU) Chennai held on 07.12.2022.

MD addressing Hindi Day Celebration at Corporate Office

ACKNOWLEDGEMENT

Your Board of Directors sincerely appreciate the co-operation and support of all the employees for the stellar performance of the company during the year 2022-23.

Your Board of Directors extend their profound thanks to the Government of India, particularly the Ministry of Petroleum & Natural Gas, other ministries, the Government of Tamil Nadu, Indian Oil Corporation Ltd., Naftiran Intertrade Company Ltd., Petroleum Planning and Analysis Cell, Oil Industry Development Board, Oil Industry Safety Directorate, Centre for High Technology, and Other Regulatory and Statutory Authorities.

Your Directors express their gratitude to all the stakeholders for their support and confidence reposed by them on the Company.

Your Directors also place on record their appreciation of the valuable contributions made by Mr.Myneni Narayana Rao, Mr. Amitabh Mathur, Mrs.Sobhana Surendran and Mr. Rajeev Ailawadi during their tenure on the Board.

For and on behalf of the Board

(S.M.VAIDYA)

NON-EXECUTIVE CHAIRMAN

DIN – 06995642

Place:Chennai

Date: 05.07.2023

Annexure - I

Annexure to Directors' Report on Energy Conservation, Technology Absorption and Foreign Exchange Earnings as Per the Provisions of the Companies Act 2013 and Rules Notified Thereunder

A. Conservation of Energy:

i) The following major Encon measures were undertaken in 2022-23

S. No	ENCON Schemes Implemented in FY2022-23	SRFT
1	Condensate Recovery in Ref III	1100
2	Temperature control and condensate recovery for TK-233 and TK-232	75
3	OMS – ATF tanks' strip out operation using LT pump for energy savings	24
4	Stripping steam reduction in 13C9	295
5	4F1 COT reduction by 10°C	122
6	System pressure reduction by 2Ksc by replacement of PT in OHCU	374
7	Stoppage of Stripping steam to LN side strippers in CDU I	147
8	1F3 COT reduction by 4°C	762
9	Heater duty reduction in DCU by preheat improvement by 10°C .	2017
10	Condensate recovery in Plant 205.	360
11	Avoiding FG flaring by provision of additional interconnection (3rd interconnection) of FG header between Ref III and Ref I	1025
12	Vacuum column ejector steam reduction in Crude II	295
13	Routing of Off-spec SK from OHCU to DHDT Feed Tanks	107
14	CDU-II RCO Single pump operation	150
15	Boiler 6 stack temperature reduction after AOH (200 - 160 °C)	860
16	Preheat improvement in CDU II - Post cleaning of BPA exchanger 15 E-113 & 115 (From 255°C - 262 °C)	1433
17	Condensate recovery in Plant 74	840
18	Stripping steam reduction in DCU HCGO stripper	177
19	Routing of CFC off gas to DCU furnace	267
20	Routing of LCN from DCU to FCCU	500
21	Routing of HCGO from DCU to FCCU	1300
22	Pre heat improvement in CDU-1 Post cleaning of 1E22 and 2E1 exchangers	110
23	Stripping Steam optimization in 500N stripper in CDU-1	143
24	Interconnection of the Augmenting air fan and seal air fan in HRSG 4	11
25	Destaging of HRSG-4 BFW pump impeller	50
26	Stoppage of 1-C8 Boot water pump	3
27	DHDS hot feed augmentation	200
28	Replacement of Conventional Well Glass Fitting with LED Fitting	1769
	Total	**14516 SRFT**

ii. Steps taken for utilizing Alternate Sources of Energy:

To harness the renewable sources of energy and to contribute to the global movement in reducing greenhouse gas emissions, CPCL has installed Wind mill with a capacity of 17.6 MW and was commissioned in the year 2007, which will be increased to 40MW capacity by making it Hybrid. The renewable energy portfolio of the Company also includes grid connected power and off-grid solar power. CPCL has solar roof top panels installed at different locations viz., Corporate office, Refinery Admin, Control room, Substation buildings and at CBR. Total installed capacity of roof top Solar panels is 1245 kW as of Mar '23.

In addition to the above, it is proposed to install Solar Roof Top Panels in substation building and also installation of PV panels at available space in offsite areas with a combined capacity of 1040 KW. The green power generated from the Solar PV panels will be connected to the CPCL power system and consumed internally.

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

- Routing of Plant-214 (HGU) steam to VHP header instead of HP header
- DCU recycle reduction by increasing CDU-III hot feed temperature

- Reduced LP steam consumption in Plant-71 by bypassing 71-E-05
- 19C31 bottoms routing to FCCU fractionator
- Installation of VFD in OHCU cold feed pump
- DHDS hot feed augmentation (6/7 completed)
- FRP blade replacement in process fin fan coolers
- DM water routing to Plant-205 from Plant-214

B. Technology Absorption

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

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

1. **Study on evaluation of lube potential for processing of various crude mixes**

   Pilot plant aromatic extraction studies and lab scale dewaxing studies have been conducted for evaluation of lube potential of 3 numbers of crude mixes.

2. **Study on hydrotreatment of Heavy Coker Gas Oil (HCGO)**

   Pilot plant study on reduction of sulphur content in Heavy Coker Gas Oil (HCGO) by hydrotreating has been conducted to check its suitability as FCCU feedstock.

3. **Study on suitability of FCC GDS unit for heavy naphtha treatment**

   Pilot plant study to check the suitability of FCC GDS unit for hydrotreatment of Heavy Naphtha has been completed.

4. **Study on production of paint grade MTO from DHDT syn. Naphtha**

   TBP fractionation and boiling point distribution studies have been carried out for evaluating the feasibility of paint grade MTO production from DHDT syn. Naphtha

ii) Expenditure on R&D

Rs. Crore

Particulars	2022-23	2021-22
Capital	3.28	1.46
Recurring	6.44	5.69
Total	**9.72**	**7.15**
Total R&D expenditure as % of Gross Turnover	**0.01**	**0.01**

Foreign Exchange Earnings And Outgo

Rs. Crore

Particulars	2022-23	2021-22
Outgo	95.59	71.42
Earned	-	-

Annexure - II

SC/ST/OBC Report - I

Annual Statement Showing the Representation of SCs/STs and OBCs as on 01.01.2023 and Number of Appointments Made During the Preceding Calendar Year

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

Groups	Representation of SCs/STs/OBCs as on 01.01.2023				No. of Appointments made during the calender year 2022 (Jan - Dec 2022)									
					By Direct Recruitment				By Promotion			By Deputation / Absorption		
	Total No. of Employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group A Managerial / Executive Level	497	108	29	114	Nil	Nil	Nil	Nil	92	20	2	6	3	Nil
Group B Supervisory Level	224	43	10	89	20	2	2	10	40	11	2	Nil	Nil	Nil
Group C Workmen/ Clerical Level	734	152	10	337	23	6	Nil	9	166	46	3	Nil	Nil	Nil
Group D	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Group D (Semi-Skilled / unskilled 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	**1455**	**303**	**49**	**540**	**43**	**8**	**2**	**19**	**298**	**77**	**7**	**6**	**3**	**0**

SC/ST/OBC Report - II

Annual Statement Showing the Representation of SCs/STs and OBCs as on 01.01.2023 and Number of Appointments Made During the Preceding Calendar Year

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

Pay Scale (In Rupees)	Representation of SCs/STs/OBCs as on 01.01.2023				No. of Appointments made during the calender year 2022 (Jan - Dec 2022)									
					By Direct Recruitment				By Promotion			By Deputation / Absorption		
	Total No. of Employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
₹70000 - 200000	145	30	7	45	Nil	Nil	Nil	Nil	40	11	2	4	2	Nil
₹80000 - 220000	152	30	10	24	Nil	Nil	Nil	Nil	30	5	Nil	Nil	Nil	Nil
₹90000 - 240000	89	22	3	18	Nil	Nil	Nil	Nil	29	8	Nil	Nil	Nil	Nil
₹100000 - 260000	44	12	6	14	Nil	Nil	Nil	Nil	12	3	1	Nil	Nil	Nil
₹120000 - 280000	39	11	3	11	Nil	Nil	Nil	Nil	13	3	1	Nil	Nil	Nil
₹120000 - 280000	23	2	Nil	2	Nil	Nil	Nil	Nil	8	1	Nil	2	1	Nil
₹120000 - 280000	5	1	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	**497**	**108**	**29**	**114**	**0**	**0**	**0**	**0**	**132**	**31**	**4**	**6**	**3**	**0**

Annexure – III

Annual Report on CSR Activity

1.0 Brief Outline of the CSR Policy:

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

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

2.0 Composition of Committee on CSR & SD as on 31.03.2023

The Composition of Committee on CSR & SD as on 31.03.2023 is as follows:

1. Dr. C.K.Shivanna, Independent Director- Chairman
2. Mr. H.Shankar, Director (Technical) – Member
3. Mr. Rohit Kumar Agrawala, Director (Finance) – Member
4. Mr. M.B.Dakhili, Nominee Director, NICO – Member
5. Mr. Deepak Srivastava, Government Nominee Director – Member

3.0 Average Net Profits and Prescribed CSR Expenditure:

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

Particulars	Rs.in crore
Average Net profits for the last three financial years	(1870.00)
Prescribed CSR Expenditure	NIL

4.0 Prescribed CSR Expenditure (2% of the Amount as in SL.No.3)

NIL

5.0 Details of CSR Spent During the Financial Year 2022-23

Despite the mandated CSR budget being Nil, an amount of Rs. 604.13 lakhs was spent for ongoing CSR projects during the FY 2022-23. The Manner in which the amount was spent during the financial year is attached.

6.0 Reasons for not Spending Minimum 2% of the Average net Profits of the Last Three Immediately Preceding Financial Years:

Not applicable.

7.0 Responsibility Statement

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

Place: Chennai
Date: 28.06.2023

Managing Director & CEO
Chairman (CSR & SD Committee)

CSR Expenditure Details for FY 2022-23

Sl. No.	CSR Project (or) Activitiy Identified	Sector in which the Project / Activity is covered	Projects or Programmes: (1) Local area or other (2) Specify the State and Districts where projects or programmes was undertaken	Amount outlay (Budget) Project or Program wise (Rs. in lakhs)	Amount Spent on the Projects or Programs Sub-heads : (1) Direct Expenditure on Projects or Programs (2) Overheads (Rs. in lakhs)	Cumulative Expenditure upto the reporting period (Rs. in lakhs)	Amount Spent: Direct or through implementing Agency
1	Operation and maintenance of Community Health Centre (CHC) at Manali through Wockhardt Foundation.	Health Care	Local, Chennai, Tamilnadu	20.00	24.25	24.25	Implementing Agency
2	Mobile Medical Unit through Helpage India in Ramanathapuram.	Health Care	Others,Ramanathapuram, Tamilnadu	29.00	25.00	25.00	Implementing Agency
3	Mobile Medical Unit through Helpage India in Manali, Chennai to provide General Health Care services	Health Care	Local, Chennai, Tamilnadu	32.00	27.80	27.80	Implementing Agency
4	One year Comprehensive Maintenance Contract for 6 Nos. of PSA Oxygen plant supplied to 2 nos. of Govt. Hospitals each in Kerala & Karnataka	Health Care	Others,Pathanamthitta, Aluva- Kerala and Yadgir, Chickmagaluru- Karnataka	47.00	23.20	23.20	Implementing Agency
5	Donation of Medical Equipments to Community Health Centre, Manali.	Health Care	Local, Chennai, Tamilnadu	9.00	8.70	8.70	Direct
6	Eye Camp at Manali & Thiruvottiyur through Sankara Nethralaya.	Health Care	Local, Chennai, Tamilnadu	6.00	5.03	5.03	Implementing Agency
7	Swachh Bharat Campaign & Awareness programme. Celebration of Swachhta Drive and Swachhatha Pakhwada as per Directives of Ministry. Activities undertaken include tree plantation, toilets construction, toilet maintenance, painting in public places, Dustbins installation, Competitions, Walkathons, etc.	Swachh Bharat	Local, Chennai, Tamilnadu	25.00	11.42	11.42	Implementing Agency
8	Maintenance of School Toilets	Swachh Bharat	Local, Chennai, Tamilnadu	10.00	3.34	3.34	Implementing Agency
9	Sponsored the prizes for Volley Ball Tournament at Nagapattinam	Sports	Other, Nagapattinam, Tamilnadu	-	1.04	1.04	Implementing Agency
10	Sponsored the prizes for Volley Ball Tournament at Karaikal	Sports	Other, Karaikal-Pondicherry	-	15.75	15.75	Implementing Agency
11	Contribution to Tamil Nadu Government for 44th Chess Olympiade	Sports	Local, Chennai, Tamilnadu	200.00	200.00	200.00	Implementing Agency
12	Contribution for conducting Graphic Design Course by Vivekananda Cultural Centre (VCC)	Education & Skill Development	Local, Chennai, Tamilnadu	5.00	4.37	4.37	Direct
13	Contribution towards stipend payable to apprentices under the skill development programme	Education & Skill Development	Local, Chennai, Tamilnadu	160.00	177.79	177.79	Direct
14	Construction of Cycle Parking Shed for Government Model School at B. Mutlur, Cuddalore District	Education & Skill Development	Other, Nagapattinam, Tamilnadu	-	5.76	5.76	Direct
15	Donation of Furniture, Computer's, Name Board for Koranjur Primary School, Minjur.	Education & Skill Development	Local, Chennai, Tamilnadu	-	4.36	4.36	Direct
16	Contribution for Construction of 100 ft National Flag Post at Nagapattinam	Swachh Bharat	Other, Nagapattinam, Tamilnadu	-	7.00	7.00	Implementing Agency
17	AKAM Program at Pondicherry	Swachh Bharat	Others, Pondicherry, Pondicherry	-	0.83	0.83	Direct
18	CIBA Awareness programme for the school students and coastal tribal and schedule caste families	Education & Skill Development	Local, Chennai, Tamilnadu	-	2.22	2.22	Direct
19	Distribution of Sarees to North Chennai people	Poverty	Local, Chennai, Tamilnadu	-	12.60	12.60	Direct
20	Distribution of Dhoties to North Chennai people	Poverty	Local, Chennai, Tamilnadu	-	14.90	14.90	Direct
21	Administrative Overheads	Others	Local, Chennai, Tamilnadu	-	28.77	28.77	Direct
	Total			**543.00**	**604.13**	**604.13**	

Annexure – IV

Independent Auditor's Certificate on Corporate Governance

The Members,
Chennai Petroleum Corporation Limited
Chennai.

1. We have examined the compliance of conditions of Corporate Governance by Chennai Petroleum Corporation Limited (the Company) for the financial year ended on March 31, 2023, as stipulated in the Regulations 17 to 27, Clauses (b) to (i) of Regulation 46(2) and paragraph C & D of Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations 2015"), and the guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India.

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Company's Management including the preparation and maintenance of all the relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with conditions of Corporate Governance stipulated in Listing Regulations 2015.

Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We conducted our examination of the above Corporate Governance compliance by the Company in accordance with the Guidance Note on "Reports or Certificates for Special Purposes" and Guidance Note on "Certification of Corporate Governance" both issued by the Institute of Chartered Accountants of India (the 'ICAI'), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on our examination of the relevant records and in our opinion and according to the information and explanations provided to us, subject to the following.

a) As per the requirement of Regulation 17(1)(b) of the Listing Regulations 2015, the Board of Directors of the Company is not comprised of requisite number of at least 50% Independent Directors for the entire financial year. Further Regulation 17(1)(a) requires appointment of one woman independent director as composition of Board of Directors, however, no appointment is made for the period 01.11.2022 to 31.03.2023.

b) As per the requirement of Regulation 19(1)(c) of the Listing Regulations 2015, the Nomination and Remuneration Committee is not comprised of 2/3rd of Independent Directors as its members for the period from 01.04.2022 till 26.04.2022 and from 30.07.2022 till 31.03.2023.

c) As per the requirement of Regulation 20(2A) of the Listing Regulations 2015, the Stakeholders Relationship Committee did not have an Independent Director as its member for the period 01.11.2022 till 30.03.2023.

d) As per requirement of Regulation 21(3A) of Listing Regulations 2015, though during the year two meetings were held, one of the meetings held on April 27, 2022 is related to the financial year 2021-2022.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance during the year ended March 31, 2023.

7. In view of exemption provided to Government Companies, vide notification dated June 5, 2015 issued by Ministry of Corporate Affairs, from complying with the provision of section 134(3)(p) of the Companies Act 2013, performance evaluation of Independent Directors by the entire Board of Directors under Regulation 17(10) and performance evaluation of non-independent directors, the Chairperson and Board of Directors as a whole by the Independent Directors under Regulation 25(4) of the Listing Regulations 2015 has not been carried out.

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

Other Matters and Restriction on use

9. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations 2015 and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For G.M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

Satya Ranjan Dhall
Partner
Membership No. 214046
UDIN: 23214046BGQJTJ8051

Place: Chennai
Date: 16TH June 2023

Annexure – V

Management Discussion & Analysis FY 2022-23

An outline on global economy

The global economy is yet again at a highly uncertain moment, with the cumulative effects of the past three years notably, COVID-19 pandemic and Russia's invasion of Ukraine manifesting in unforeseen ways. The global economy now appears to be poised for a gradual recovery from the powerful blows of these cumulative effects. The baseline forecast for growth is to fall from 3.4 percent in 2022 to 2.8 percent in 2023, before settling at 3.0 percent in 2024. Advanced economies are expected to see a pronounced growth slowdown, from 2.7 percent in 2022 to 1.3 percent in 2023. The slowdown is concentrated in advanced economies, especially the Euro and the United Kingdom, where growth is expected to fall to 0.7 percent and –0.4 percent, respectively, this year, before rebounding to 1.8 and 2.0 percent in 2024. Notably, emerging market and developing economies are already powering ahead in many avenues, with growth rates (fourth quarter over fourth quarter) jumping from 2.8 percent in 2022 to 4.5 percent in 2023.

Global inflation is set to fall from 8.8 percent in 2022 (annual average) to 6.6 percent in 2023 and 4.3 percent in 2024, which is above pre-pandemic (2017–19) levels of about 3.5 percent. The projected disinflation partly reflects the declining international fuel and nonfuel commodity prices due to weaker global demand.

Indian Economy – A review

The Indian economy, appears to have moved on after its encounter with the pandemic, staging a full recovery in FY22 ahead of many nations and positioning itself to ascend to the pre-pandemic growth path in FY23. Yet in the current year, India has also faced the challenge of reining in inflation that the European strife accentuated. India's growth continues to be resilient despite some signs of moderation in growth. After hitting 6.6% in FY 2022-23, GDP growth is expected to slowdown in coming quarters, to 5.7% in FY 2023- 24, before rebounding to around 7% in FY 2024-25. IMF estimates India to be one of the top two fast-growing significant economies despite strong global headwinds and tighter domestic monetary policy. India is still expected to grow between 6.5 and 7.0 per cent, reflecting India's underlying economic resilience and its ability to recoup, renew and re-energise the growth drivers of the economy.

The year FY23 has reinforced the country's belief in its economic resilience so far. The economy has withstood the challenge of mitigating external imbalances caused by the Russia-Ukraine conflict without losing growth momentum in the process. India's stock markets had a positive return in CY22, unfazed by withdrawals by foreign portfolio investors. India's inflation rate did not creep too far above its tolerance range compared to several advanced nations and regions. A relatively higher growth forecast among major economies, projected retail inflation only slightly higher than the tolerance limit, and an estimated current account deficit financeable with normal capital inflows and forex reserves large enough to finance close to a year's imports are clear evidence of economic resilience amidst a global policy crisis. Strong consumption rebound, robust revenue collections, sustained capex in both the public and the private sector, growing employment levels in the urban as well as the rural areas, and targeted social security measures further underpin the prospects for economic and social stability and sustained growth.

Global Energy Scenario

Each energy crisis has echoes of the past, and the acute strains on markets today are drawing comparison with the most severe energy disruptions in modern energy history, most notably the oil shocks of the 1970s. Then, as now, there were strong geopolitical drivers for the rise in prices, which led to high inflation and economic damage. Today's global energy crisis is significantly broader and more complex than those that of past. The shocks in the 1970s were about oil, and the task faced by policy makers was relatively clear to reduce dependence on oil, especially oil imports. By contrast, the energy crisis today has multiple dimensions: natural gas, oil, coal, electricity, food security and climate. Therefore, the solutions are similarly all encompassing. Ultimately what is required is not just to diversify away from a single energy commodity, but to change the nature of the energy system itself, and to do so while maintaining the affordable, secure provision of energy services.

The world is in a critical decade for delivering a more secure, sustainable and affordable energy system – the potential for faster progress is enormous if strong action is taken immediately. Investments in clean electricity and electrification, along with expanded and modernised grids, offer clear and cost effective opportunities to cut emissions more rapidly while bringing electricity costs down from their current highs. Today's growth rates for deployment of solar PV, wind, EVs and batteries, if maintained, would lead to a much faster transformation than projected, although this would require supportive policies not just in the leading markets for these technologies but across the world. By 2030, if countries deliver on their climate pledges, every second car sold in the European Union, China and the United States would be electric driven.

The global energy sector is going through a fundamental transformation. While moving towards net zero emissions brings clear and sustained security benefits, the process of transition also entails risks. As energy systems become more interconnected, complex and diverse, new security concerns are emerging alongside traditional energy security risks. The traditional watchwords for energy security notably the importance of diverse energy sources, supplies and routes remain as relevant as ever, but they are accentuated by new concerns and challenges.

The current energy crisis is reshaping previously well established demand trends. Industries exposed to global prices are facing real threats of rationing and are curbing their production. Consumers are adjusting their patterns of energy use in response to high prices and, in some cases, emergency demand reduction campaigns. Policy responses vary, but in many instances they include determined efforts to accelerate clean energy investment. This means an even stronger push for renewables in the power sector and faster electrification of industrial processes, vehicles and heating. As many of the solutions to the current crisis coincide with those needed to meet global climate goals, the crisis may end up being seen in retrospect as marking a critical turning point in the drive for both energy security and emissions reductions. The future of global energy is hence dominated by four trends viz. declining role for hydrocarbons, rapid expansion in renewables, increasing electrification, and growing use of low-carbon hydrogen.

Trends in Oil demand as we transit towards cleaner fuel

Oil demand declines over the outlook, driven by falling use in road transport as the efficiency of the vehicle fleet improves and the electrification of road vehicles accelerates. Even so, oil continues to play a major role in the global energy system for the next 15-20 years.

The demand plateaus over the next 10 years or so, before declining over the rest of the outlook till 2050. Oil continues to play a major role in the global energy system till 2040, with demand in the range of 70-90 mbpd in 2035 against a present demand of 100 mbpd in 2022. Decline in oil demand over the long term is the net effect of fuel economy and alternate fuels weighing over increased miles travelled demand. The gradual shift in the centre of gravity of global oil markets continues, only because the emerging economies share of global oil demand increasing from 55% in 2021 to around 70% in 2050.

India imports more than 85% of its crude oil requirements, and oil demand is only expected to rise in the coming years. Paris-based International Energy Agency has projected the oil demand to increase from 4.7 million barrels per day (bpd) in 2021 to 6.7 million bpd by 2030.

An outlook on the other major sources of energy

The prospects for natural gas depend on the speed of the energy transition, with increasing demand in emerging economies as they grow and industrialize offset by the transition to lower carbon energy sources, led by the developed world. The recent energy shortages and price spikes highlight the importance of the transition away from hydrocarbons being orderly, such that the demand for hydrocarbons falls in line with available supplies. Natural declines in existing production sources mean there needs to be continuing upstream investment in oil and natural gas over the next 30 years. The global power system decarbonizes, led by the increasing dominance of wind and solar power. Wind and solar account for all or most of the growth in power generation, aided by continuing cost competitiveness and an increasing ability to integrate high proportions of these variable power sources into power systems. The growth in wind and solar requires a significant acceleration in the financing and building of new capacity. The use of modern bioenergy – modern solid biomass, biofuels and biomethane – grows rapidly, helping to decarbonize hard-to abate sectors and processes. Low-carbon hydrogen plays a critical role in decarbonizing the energy system, especially in hard to-abate processes and activities in industry and transport. This is dominated by green and blue hydrogen, with green hydrogen growing in importance over time. Hydrogen trade is a mix of regional pipelines transporting pure hydrogen and global seaborne trade in hydrogen derivatives. Carbon capture, use and storage plays a central role in enabling rapid decarbonization trajectories: capturing industrial process emissions, acting as a source of carbon dioxide removal, and abating emissions from the use of fossil fuels. A range of methods for carbon dioxide removal – including bioenergy combined with carbon capture and storage, natural climate solutions, and direct air carbon capture with storage – will be needed for the world to achieve a deep and rapid decarbonization.

A special note on Renewables

India is progressively becoming a favoured destination for investment in renewables. As per the Renewables 2022 Global Status Report, during the period 2014 -2021, total investment in renewables stood at US$ 78.1 billion in India. Investment in renewable energy has been close to or higher than US$ 10 billion per year since 2016, except for a dip in 2020 due to various COVID-19 restrictions. Central Electricity Authority (CEA) has projected the optimal generation capacity mix to meet the peak electricity demand and electrical energy requirement for 2029-30. The estimate builds in improved efficiency and minimises the total system cost subject to various technical/financial constraints. The likely installed capacity by the end of 2029-30 is expected to be more than 800 GW of which non-fossil fuel would be more than 500 GW. CPCL has also extended its share in increasing its renewable portfolio by setting up 915 KW solar PV panels at Manali premises. With this CPCL's renewable portfolio has increased to 18.8 MW including wind and solar projects at various locations.

Healthy balance sheets create opportunities for oil and gas

The oil industry is not new to supply disruptions and price volatility. Over the past seven years, the industry has seen several peaks and troughs, from above $100/bbl in 2014 to -$37/bbl in 2020. But the situation is unique today. A confluence of several economic, geopolitical, trade, policy, and financial factors have exacerbated the issue of underinvestment and triggered a readjustment in the broader energy market. All three components of a balanced energy equation —energy security, supply diversification, and low-carbon transition—are under severe pressure. The industry has followed the investor mandate for measured investment and financial discipline. In line with this, CPCL has also been thoughtfully investing in new projects like production of Pharma grade hexane, Group II / III LOBS projects and innovative projects like Catalytic Pyrolysis of plastic waste to value added products – A circular economy approach in collaboration with IIT Madras.

Operational Excellence – A step ahead this time

Refiners are generally increasing focus on operational excellence by optimizing operating conditions in real time, while complying with stringent energy and environmental regulations. This is leading to innovative efforts by refineries to deliver on the promise by working with latest cutting-edge technology to sustain their competitive edge. While many technologies have been around for a long time, oil companies are targeting operational excellence as a means to improve operational efficiency. Business performances have successfully adopted cost reduction as an important strategy in their workflow. With the global economic recession and the constant fluctuations in oil prices, we consider that cost reduction strategy enables us to achieve the planned production quantities at a lower cost. Successful, cost-effective investment by CPCL into energy efficiency technologies and practices have aided in meeting the challenge of maintaining the output of a high-quality product while reducing production costs during FY 2022-23. This is especially important, as energy efficient practices often include "additional" benefits, such as increasing the profitability of the company.

During the financial year 2022-23, your Company has achieved new heights of performance, both on physical and financial parameters and surpassed its past performance by setting up new benchmarks. CPCL surpassed the name plate capacity of 10.5 MMT and achieved highest ever crude throughput of 11.3 MMT and posted a highest ever turnover of Rs.90,801 Crs. CPCL processed around 13% Russian crudes during FY 2022-23 and added a variety of new crudes like Tupi, Kole, Urals, Sokol and ESPO to its crude basket. Our energy performance indices w.r.t Fuel and Loss (9.06%), EII (89.2%) and MBN (74.2) are complementing each other and are at their best-ever performance level on annual basis.

During the year CPCL successfully produced 39.7 MT of Missile fuel (JP-7 equivalent) as part of AatmaNirbhar Bharat initiative and supplied to Defense Research and Development Organization (DRDO). CPCL also commenced the supply of Diesel to Sri Lanka in line with GoI's initiative towards neighbouring country and despatched a maiden cargo of 40 TMT of Diesel, to Ceylon Petroleum Corporation Limited (CEYPETCO), Sri Lanka. New product Low Sulphur Heavy stock (LSHS Premium – 0.8 % Sulphur) was successfully produced for the first time. Product pipelines viz., Chennai Trichy Madurai Pipeline (CTMPL) & Chennai Bangalore Pipeline (CBPL) achieved the highest ever T'put of 3.0 MMT & 2.4 MMT respectively.

For the first time, CPCL exported 35 TMT Naphtha parcel co loaded with Paradip refinery during Jun '22. CPCL also exported 55 TMT parcel size of Naphtha directly from Chennai port with dual berthing operation for first time during Jul '22, which improved the export realization. CPCL dispatched 241 TMT of LOBS during the year, which is the highest ever during the last ten years. CPCL has stepped up its capacity utilisation to 108% to meet the demand surge in the market.

CBR 9 MMTPA Project

India has witnessed a spectacular growth in the refining sector over the years. From a deficit scenario in 2001, the country achieved self-sufficiency in Refining and today is a major exporter of Quality Petroleum Products. Today India is the global refining hub with refining capacity of 248.9 MMTPA and is the fourth largest in the world after the United States, China and Russia. There are total 23 refineries in the country, 18 in the Public Sector, 2 in the Joint Venture and 3 in the Private Sector well spread out geographically and inter-connected with cross country pipelines.

CPCL along with IOCL is setting up a new grass root refinery of 9 MMTPA capacity with petrochemical facilities at Nagapattinam, Tamil Nadu. The new refinery will be set up in an area of about 1300 acres, out of which 618 acres is already owned by CPCL and the balance land is under advanced stage of acquisition. This new refinery will produce Petrol and Diesel of Bharat Stage-VI specifications and Polypropylene as a value-added product. Joint Venture Company (JVC), Cauvery Basin Refinery & Petrochemicals Limited (CBRPL) was incorporated on 6th Jan '23 with IOCL, CPCL & seed investors. The first Board meeting of the JV Company was held on 16th Jan '23. Contract has been awarded to all 4 EPCM consultants. M/s KPMG was lined up as Owner's

Project Management Consultant (OPMC). Engineering and Procurement activities are in progress. Tender for all Lump Sum Turn Key (LSTK) and Build Own & Operate (BOO) contracts are ready for Award and tenders for all critical equipment are already floated. Dismantling of the existing refinery has been completed. Site enabling works viz., Site grading, Construction power & Construction water works are in progress at site & the first consignment of foundation template for CDU/VDU column was received at project site on 24th Nov '22. Digital Control Tower (DCT) for the project was inaugurated on 29th Aug '22 at Corporate office for effective project monitoring. The DCT is capable of displaying discipline wise project progress, conducting project review meetings & collaboration with other third-party applications.

Risk Management Framework

CPCL has adopted a comprehensive risk management policy to avoid risk and provide value addition to the organisation and its related parties. It will protect and add value to the organization and its stakeholders through supporting the organization's objectives by improving decision making, planning and prioritization by comprehensive and structured understanding of business activity, volatility and project opportunity/threat. The Company is prone to certain inherent business risks. The components of risk management are defined by the company's business model and strategies, organizational structure, culture, risk category and dedicated resources. An effective risk management framework requires consistent processes for assessment, mitigation, monitoring and communication of risk issues across the organization. Essential to this process is its alignment with corporate direction and objectives, specifically, strategic planning and annual business planning processes. The risk methodology categorises risks as high, medium, low and risk at radar at multidisciplinary levels.

Various Risk envisaged at CPCL during the year 2022-23

High risk includes key factors influencing capacity utilisation like crude supply insecurity, disruption in port operations, number of unplanned shutdowns and completion of shutdowns within planned duration. Erosion in refinery margins can include any negative impact on a company's associated assets or funds. Erosion can be experienced with regard to profits, sales, or tangible assets, such as manufacturing equipment. Erosion is often considered a general risk factor within an organization's cash management system, as the losses may be slow and occurring over time. Major KPI's such as variation in product mix, crude price fluctuation, variations in planned throughput, and volatile cracks may contribute to erosion in Refinery Margin. Any cost and time over run in planned projects is also considered as high risk as they will likely reduce the profit margins expected from the project implementation. Medium risks include data leakage, security risk, environmental risk and other Govt. policy decisions impacting the profitability and ability to do business. Low risk includes factors which are less likely related to continuous operation, like variations in interest rate, currency risk, and commodity risk. Risks on Radar includes statutory levies by tax authorities and other related liabilities.

The importance of safety in the oil and gas industry resonates through the best safety practices to assure a safe work environment. CPCL has been continuously striving to achieve highest standards of excellence in providing health care to its stakeholders by ensuring a safe work environment and effective monitoring of various hazards in the refinery. CPCL has been providing various training programs on having safe operations and have taken up numerous initiatives like conducting onsite and off-site mock drills as per Emergency Response and Disaster Management Plan, inculcate the culture of BBS, utilisation of inherent fire-retardant suits to safe guard from flash fires etc.

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

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

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

Annexure – VI

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 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 by **CHENNAI PETROLEUM CORPORATION LIMITED** (CIN: L40101TN1965GOI005389) (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 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 Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

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

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

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

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

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

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

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

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

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

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

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

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

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

We have also examined the applicable clauses of the following:

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

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

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

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

2. *The Nomination and Remuneration Committee did not have 2/3rd of Independent Directors as its members for the period from 01.04.2022 till 26.04.2022 and from 30.07.2022 till 31.03.2023 as required under Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

3. *The Stakeholders Relationship Committee did not have an Independent Director as its member for the period 01.11.2022 till 30.03.2023 as required under Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

We further report that:

a). The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

b). Adequate notice is duly given to all Directors to schedule the Board Meetings along with Agenda in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting and other business which are not included in the Agenda are considered vide supplementary agenda subject to consent of the Board of Directors.

c). All the decisions at Board meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that based on the written representations received from the officials / executives of the Company, there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no instances of:

(i) Public / Right / preferential issue of Shares / Sweat Equity Shares.

(ii) Redemption / Buy-back of Securities.

(iii) Foreign technical collaborations.

(iv) Merger / Amalgamation / Reconstruction.

This report is to be read with our letter of even dated which is annexed as Annexure A and form an integral part of this report.

For A.K.JAIN & ASSOCIATES
Company Secretaries

BALU SRIDHAR
Partner
FCS No. 5869
C. P. No.3550
UDIN: F005869E000472984
PR: 1201/2021

Place: Chennai
Date: 09.06.2023

ANNEXURE A

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

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

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

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

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

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

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

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

For A.K.JAIN & ASSOCIATES
Company Secretaries

BALU SRIDHAR
Partner
FCS No. 5869
C. P. No. 3550
UDIN: F005869E000472984
PR: 1201/2021

Place: Chennai
Date: 09.06.2023

Annexure – VII

Related Party Disclosures in compliance with Ind-AS 24, are given below:

1. Relationship with Entities

A. Details of Holding Company

1) Indian Oil Corporation Limited (IOCL)

The following transactions were carried out with Holding Company in the ordinary course of business:

(₹ in Crore)

Particulars	31-Mar-2023	31-Mar-2022
• Sale of Products/ Crude and Services	**84387.19**	57194.25
• Dividend on Preference Shares	**33.25**	33.25
• EDP Maintenance	**4.82**	3.08
• Other Operating Income	**32.93**	32.52
• Purchase of Raw Material	-	969.91
• Purchase of Stock-in-Trade	**198.30**	47.72
• Purchase of Stores & Spares	**5.35**	5.10
• Canalising commission	**5.88**	6.35
• Vessel hiring charges	**62.45**	84.68
• Terminalling and Facilitation Charges	**6.42**	6.00
• Rental Expenditure	**0.66**	3.18
• Subscription Expenses	-	0.30
• Training Expenses	**0.02**	0.03
• Purchase of RLNG	**1847.18**	1355.02
• Finance Cost - Unwinding of finance cost	**0.40**	0.40
• Capital Advances / (Liabilities)	-	(4.31)
• Revenue Advances	**0.20**	0.16
• Outstanding Receivables	**150.34**	178.72
• Other Liabilities - Land given on lease	**13.93**	14.34
• Other Non - current Assets - Land given on lease	**57.80**	44.37
• Outstanding payables		
Trade Payables	**2202.38**	1887.18
Preference Shares (at face value)	**500.00**	500.00

B. Details of Joint Ventures / Associates

i) Indian Additives Limited

(₹ in Crore)

Particulars	31-Mar-2023	31-Mar-2022
• Investment	**11.83**	11.83
• Sale of Product	**38.72**	29.65
• Rental income	**0.64**	0.58
• Maintenance Expenses	-	1.30
• Dividend received	**7.93**	5.92
• Outstanding Payables	**0.82**	1.30
• Outstanding Receivables	-	0.36

ii) National Aromatics & Petrochemicals Corp. Limited

(₹ in Crore)

Particulars	31-Mar-2023	31-Mar-2022
• Investments in Joint Venture Entities/ Associates	**0.03**	0.03
• Claims recoverable	**22.66**	22.66

The Investment & claims recoverable has been fully impaired (Note - 4)

iii) Cauvery Basin Refinery and Petrochemicals Limited

(₹ in Crore)

Particulars	31-Mar-2023	31-Mar-2022
• Share application money pending allotment	0.01	-

C. Details of Joint Ventures/Associates of Holding Company

i) Indian Oiltanking Limited

(₹ in Crore)

Particulars	31-Mar-2023	31-Mar-2022
• Outstanding payable	4.76	4.76

ii) Falcon Oil & Gas B.V

(₹ in Crore)

Particulars	31-Mar-2023	31-Mar-2022
• Purchase of Crude Oil	865.83	-

D. Government related entities where significant transactions are carried out:

Apart from transactions reported above, the company has transactions with other Government related entities, which includes but not limited to the following:

Name of Government: Government of India (Central and State Government)

Nature of Transactions:

- Sale of Product and Services
- Purchase of Product
- Purchase of Raw Materials
- Handling and Freight Charges, etc.
- Borrowings

These transactions are conducted in the ordinary course of the Company's business on terms comparable to those with other entities that are not Government-related

2) Key Managerial Personnel

A. Whole Time Directors / Company Secretary		B. Independent / Part time Non-Executive Directors (Government / IOCL/ NICO Nominee)	
1)	Shri Arvind Kumar (w.e.f 27.08.2021)	1)	Shri S M Vaidya (Non - Executive Chairman)
2)	Shri Rajeev Ailawadi (Upto 28.02.2023)	2)	Shri D. Durai Ganesan (Upto 13.08.2021)
3)	Shri Rohit Kumar Agrawala (w.e.f 01.03.2023)	3)	Smt. Sobha Surendran (Upto 31.10.2022)
4)	Shri. S.Krishnan	4)	Shri Mohammad Bagher Dakhili
5)	Shri H. Shankar	5)	Shri Babak Bagherpour
6)	Shri P.Shankar	6)	Shri M Narayana Rao (Upto 29.07.2022)
		7)	Shri Amitabh Mathur (Upto 29.07.2022)
		8)	Shri Deepak Srivastava (w.e.f 10.08.2021)
		9)	Ms. Sukla Mistry (w.e.f. 16.11.2021)
		10)	Shri Dr. C. K. Shivanna (w.e.f. 16.11.2021)
		11)	Shri Ravi Kumar Rungta (w.e.f. 16.11.2021)
		12)	Shri Manoj Sharma (Upto 09.11.2021)
		13)	Shri Sukh Ram Meena (Upto 09.08.2021)
		14)	Shri K Surendaran (w.e.f 27.03.2023)

C) Details relating to the parties referred to in Item No.2A & 2B above :

For the Year ended 31-Mar-2023

(₹ in Crore)

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Sitting Fee	Outstanding loans/advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri Arvind Kumar	0.60	0.11	-	-	0.71	-	0.07
2) Shri Rajeev Ailawadi	0.58	0.10	0.47		1.15		-
3) Shri Rohit Kumar Agrawala	0.03	0.01			0.04		0.17
4) Shri S.Krishnan	0.67	0.12	0.08		0.87		-
5) Shri H.Shankar	0.62	0.11	0.07		0.80		0.27
6) Shri P.Shankar	0.56	0.10	0.16		0.82		0.03
B. Independent / Government Nominee Directors#							
1) Shri. Amitabh Mathur	-	-	-	-	-	0.02	-
2) Shri. Myneni Narayana Rao	-	-	-	-	-	0.03	-
3) Smt. Sobha Surendran	-	-	-	-	-	0.03	-
4) Shri. Ravi Kumar Rungta	-	-	-	-	-	0.05	-
5) Shri. C.K Shivanna	-	-	-	-	-	0.05	-
TOTAL	**3.06**	**0.55**	**0.78**	**-**	**4.39**	**0.18**	**0.54**

Sitting fees paid to Independent Directors

For the Year ended 31-Mar-2022

(₹ in Crore)

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Sitting Fee	Outstanding loans/advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri Arvind Kumar	0.25	0.06	-	-	0.31	-	0.09
2) Shri Rajeev Ailawadi	0.63	0.10	-	-	0.73	-	-
3) Shri S.Krishnan	0.68	0.11	-	-	0.79	-	-
4) Shri H.Shankar	0.51	0.10	-	-	0.61	-	0.30
5) Shri P.Shankar	0.56	0.09	0.01	-	0.66	-	0.06
B. Independent / Government Nominee Directors#							
1) Shri. D.Durai Ganesan	-	-	-	-	-	0.02	-
2) Shri. Amitabh Mathur	-	-	-	-	-	0.05	-
3) Shri. Myneni Narayana Rao	-	-	-	-	-	0.05	-
4) Smt. Sobha Surendran	-	-	-	-	-	0.03	-
5) Shri. Ravi Kumar Rungta	-	-	-	-	-	-	-
6) Shri. C.K Shivanna	-	-	-	-	-	-	-
TOTAL	**2.63**	**0.46**	**0.01**	**-**	**3.10**	**0.15**	**0.45**

Sitting fees paid to Independent Directors

This does not include the impact of provision made on actuarial valuation of retirement benefit/long term Schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual directors

3) Trusts

Transactions with Post Employment Benefit Plans managed through separate trust

(₹ in Crore)

Sl. No	Name of the Trust	Post Employment Benefit Plan	31-Mar-2023		31-Mar-2022	
			Contribution by Employer	Outstanding Payable	Contribution by Employer	Outstanding Payable
A	CPCL Employees Provident Fund	Provident Fund	24.20	2.11	24.05	2.00
B	CPCL Employees Superannuation Benefit Fund	Pension Scheme	6.47	-	11.52	-
C	CPCL Employees Group Gratuity Trust	Gratuity	-	-	23.59	-
D	Post Retirement Medical Benefit Trust	PRMB	-	-	8.17	-

Business Responsibility & Sustainability Report (FY 2022-23)

Section A: General Disclosure

I. Details of the Listed Entity

1	**Corporate Identity Number (CIN) of the Listed Entity**	: L40101TN1965GOI005389
2	**Name of the Listed Entity**	: CHENNAI PETROLEUM CORPORATION LIMITED
3	**Year of incorporation**	: 30/12/1965
4	**Registered office address**	: Chennai Petroleum Corporation Limited; No.536, Anna Salai, Teynampet, Chennai- 600018
5	**Corporate address**	: Chennai Petroleum Corporation Limited; No.536, Anna Salai, Teynampet, Chennai- 600018
6	**E-mail**	: shankarp@cpcl.co.in
7	**Telephone**	: 044-24349833
8	**Website**	: www.cpcl.co.in
9	**Financial year for which reporting is being done**	: FY 2022-23
10	**Name of the Stock Exchange(s) where shares are listed**	: Bombay Stock Exchange, National Stock Exchange
11	**Paid-up Capital**	: INR 149,41,19,000
12	**Contact Person**	
	Name of the Person	: Shri P. Shankar
	Telephone	: 044- 24346807
	Email address	: shankarp@cpcl.co.in
13	**Reporting Boundary**	
	Type of Reporting- Select from the Drop-Down List	: Consolidated
	If selected consolidated:	

S No	Name of the Subsidiaries/ JVs/Associate Companies	CIN Number	Comment
1	Indian Additives Limited	U24294TN1989PLC017705	JV
2	National Aromatics and Petrochemicals Corporation Limited	U11101TN1989PLC014703	JV
3	Cauvery Basin Refinery and Petrochemicals Ltd	U23200TN2023PLC158051	JV

II. Product/Services

14 Details of business activities

S. No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
1.	Manufacturing	Processing of Crude Oil into Refined Petroleum products and other products	100%

15 Products/Services sold by the entity

(accounting for 90% of the entity's Turnover)

S. No.	Product/Service	NIC Code	% of Total Turnover contributed
1.	High Speed Diesel (HSD)	466/473	57.02
2.	Motor Spirit (MS)	466/473	13.51
3.	Aviation Turbine Fuel (ATF)	466	9.98
3.	Naphtha	466	6.39
4.	LPG	466/473	2.75

III. Operations

16 Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	No. of Offices	Total
National	2	3	5
International	0	0	0

17 Market served by the entity

a. No. of Locations

Locations	
National (No. of States)	Manali Refinery, Chennai, Tamil Nadu,
International (No. of Countries)	Nil

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Zero; The company is a domestic entity with 100% of its operations and sales within India

c. A brief on types of customers

CPCL caters to selling its Petroleum products predominantly to IOCL, the holding company which meet the daily fuel needs of the Nation. The other bulk customers include petrochemical industries in the vicinity which take CPCL products as feedstock for further processing into finished products. Further, CPCL also directly markets specialty products like Food Grade Hexane , Mineral Turpentine Oil and Paraffin Wax to end customers

IV. Employees

18. Details as at the end of Financial Year:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
a.	Employees and workers (including differently abled)					
		Employees				
1	Permanent Employees (A)	1466	1390	95%	76	5%
2	Other than Permanent Employees (B)			Nil		
3	Total Employees (A+B)	1466	1390	95%	76	5%
b.	Differently abled employees and workers					
		Employees				
1	Permanent Employees (E)	18	17	94%	1	6%
2	Other than Permanent Employees (F)			Nil		
3	Total Employees (E+F)	18	17	94%	1	6%

19. Participation/Inclusion/Representation of women

S. No.	Category	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1	Board of Directors	12	1	8.33%
2	Key Management Personnel	5	0	0%

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Category	FY 2022-2023 (Turnover rate in current FY)			FY 2022-2021 (Turnover rate in previous FY)			FY 2020-2021 (Turnover rate in the year prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	5.57%	0.47%	6.04%	6.29%	0.57%	6.85%	6.34%	0.12%	6.46%

V. Holding, Subsidiary, and Associate Companies (including joint ventures)

S. No	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether it is a holding / Subsidiary / Associate / or Joint Venture	% Of shares held by the listed entity	Does the entity indicated in column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Indian Oil Corporation Limited	Holding	51.89	No

VI. CSR Details

22 a. **Whether CSR is applicable as per section 135 of Companies Act, 2013:** Yes

Turnover for FY 2022-23: INR 90,801.11 Crore

Net worth as on 31.03.2023: INR 6,280.96 Crore

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	If yes, then provide web-link for the grievance redress policy	FY 2022-23 Current Financial Year			FY 2021-2022 Previous Financial Year		
			Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Ethics	Yes		-	-	-	-	-	-
Products & Services	Yes							-
Employees	Yes		-	-	-	-	-	-
Stakeholder Engagement	Yes		541	-	-	350	-	-
Human Rights	Yes		-	-	-	-	-	-
Environment	Yes		1	-	-	-	-	-
Public policy	Yes	Our Policies – CPCL	14	-	-	10	-	-
Inclusive Growth/ CSR	Yes							
Customer	Yes		1	-	Quality variation in RSH of PBFS & LPBFS to customer was reported and the same got resolved in 24 hours by adjusting plant conditions.	-	-	

24. Overview of the entity's material responsible business conduct issues

Material Issue Identified	Indicate whether risk or opportunity	The rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Climate Risk Management	Risk	Global warming has been identified as a serious risk for almost all businesses around the world. Identifying the risks associated with climate change and implementing a framework for its mitigation is critical for continued operations.	A framework to comprehensively capture all climate related risks and identifying suitable mitigation measures is under progress.	Negative

Material Issue Identified	Indicate whether risk or opportunity	The rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Energy Efficiency and Management	Opportunity	Implementing energy efficient measures to reduce energy consumption, which results in cost savings and reduction of GHG emission reduction.		Positive
Air Quality Management	Opportunity	Maintaining and improving the air quality within and outside the organization.	Ensuring that the air quality is maintained less than the regulatory consent norms is essential for continued operations. This would also serve to ensure that there is no impact on the public in the vicinity of the plant. Stringent continuous monitoring systems have been put in place at the plant and its vicinity suitably.	Negative
Water Resource Management	Opportunity	Sustaining the best practices on water efficiency, water reduction measures, thereby reducing the freshwater intake.		Positive
Clean Technology Initiatives	Opportunity	Continually investing in clean technology for process improvements and efficiency		Positive
Waste management	Opportunity	Understanding the waste management practices and move towards 100 % safe disposal.		Positive
Sustainable Supply Chain	Opportunity	Extending our ESG best practices across the supply chain through stakeholder involvement for greater impact.		Positive
Enhancing Process Safety	Risk	Ensuring 100% safe operations through practicing process safety standards.	Continually improve the process safety standards and assess the same at regular intervals – this reduces risks and improves employee morale	Positive
Disaster Preparedness & Management	Risk	Preparedness towards disaster handling and prevention.	Conduct testing on emergency preparedness and response, update the guidelines/ procedures.	Positive
Employee training & development	Opportunity	Ensuring all employees are trained on relevant skills towards career enhancement.		Positive
Occupational Health & Safety	Risk	Ensuring 100% safety and occupational health of our employees.	Continuously monitoring the OHS risks and taking actions towards zero incidents.	Positive
Holistic Employee Wellbeing	Opportunity	Ensuring all our employees are covered under adequate wellness programs/initiatives.		Positive
Corporate Governance	Opportunity	Robust Governance Structure to focus on building a strong brand reputation and relationship with the customers.		Positive

Section B: Management and Process Disclosures

The National Guidelines for Responsible Business Conduct (NGRBCs) as prescribed by the Ministry of Corporate Affairs advocates the following nine principles referred to as P1 to P9.

P1 - Business should conduct and govern themselves with Ethics, Transparency and Accountability

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3 - Businesses should promote the wellbeing of all employees

P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

P5 - Businesses should respect and promote human rights

P6 - Business should respect, protect, and make efforts to restore the environment

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8 - Businesses should support inclusive growth and equitable development

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1 a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	Web links of the policies which cover the principles and core elements of the NGRBCs are as follows: https://cpcl.co.in/company/overview/our-policies/ Weblink of the policies include the following • **Whistle Blower Policy** • **Safety Health and Environment Policy** • **Related Party Transactions Policy** • **Policy for Preservation of Documents** • **Niti Ayog- Revival of Construction Sector** • **Material Policy Compliance Officer** • **Material Policy 2016** • **Dividend Distribution Policy** • **CPCL CSR Policy** • **CPCL Conciliation Rules 2018** • **Code, Discipline and Appeal Rules** • **Code Of Conduct CPCL** • **Code of Prevention of Insider Trading in Securities of CPCL**								
2 Whether the entity has translated the policy into procedures. (Yes / No)	Yes								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
3 Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
4 Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	• ISO 9001 • ISO 50001 2018 • ISO 14001 2015 • 1SO 45001 2018 • SEBI LODR • Institute of Company Secretaries of India (ICSI)								
5 Specific commitments, goals, and targets set by the entity with defined timelines, if any.	Yes • **On Environment:** The Company aspires to be Net-Zero carbon emitter by 2047, In line with the aspiration of parent company (Indian Oil Corporation Limited). • **Employee Diversity:** The Company fosters an inclusive workplace and does not engage in any form of discrimination towards individuals based on their gender, race/caste, religion/beliefs, disability, marital status, or any other category. • **CSR:** The Company acknowledges its responsibility to make a positive impact on communities by identifying the key areas of focus and achieving these commitments and objectives through corporate social responsibility initiatives. • **Safety:** the company aspires to maintain zero reportable incidents.								
6 Performance of the entity against the specific commitments, goal, and targets along with reasons in case the same are not met.	Towards becoming net zero carbon emitter, the company has been increasing the share of Renewable energy consumption in their energy mix. A track record of zero fatalities and reportable incidents is being maintained since the last three years. Please refer the sections on each of the IR capitals for performance against stated goals.								
Governance, Leadership, and Oversight									
7 Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets, and achievements	Kindly refer our Directors' report and Management Discussion & Analysis (MDA)								
8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr.Arvind Kumar, Managing Director & CEO / Mr.Rohit Kumar Agrawala, Director (Finance) & CFO								
9 Does the entity have a specified Committee of the Board/ Director responsible for decision-making on sustainability-related issues? (Yes / No). If yes, provide details.	Yes								
	Governance	**Good & Services**	**Employee Wellbeing**	**Stakeholders**	**Human Rights**	**Environment**	**Public Policy**	**Equitable Growth**	**Consumers**
	Mr.Rohit Kumar Agrawala, Director (Finance) & CFO	Mr.H.Shankar, Director (Technical)	Nomination & Remuneration Committee / Mr.Rohit Kumar Agrawala, Director (Finance) & CFO	Stakeholders Relationship Committee / Mr.Rohit Kumar Agrawala, Director (Finance) & CFO	Mr.Rohit Kumar Agrawala, Director (Finance) & CFO	Corporate Social Responsibility & Sustainable Development Committee / Mr.S.Krishnan, Director (Operations)	Mr.Rohit Kumar Agrawala, Director (Finance) & CFO	Mr.Rohit Kumar Agrawala, Director (Finance) & CFO	Mr.H.Shankar, Director (Technical

10. Details of Review of NGRBCs by the Company:

Indicate whether the review was undertaken by the Director / Committee of the Board/ Any other Committee Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)

Performance against the above policies and follow-up action

The Board of Directors and the Board Sub-Committees meet periodically for evaluating the performance of the Company on various aspects including NGRBC Principles to the extent applicable.

Compliance with statutory requirements of relevance to the principles, and the rectification of any non-compliances

The Company complies with statutory requirements of relevance to the principles and also ensure rectification as identified, if any.

11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency

P1	P2	P3	P4	P5	P6	P7	P8	P9
No, Internal assessment is being done by the Company Senior Management on scheduled intervals.								

Section C: Principle Wise Performance Disclosure

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programs on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	3	Aspects covered under Trainings include: • Trainings on Strategic Management • Current trends in Oil and Gas Sector, • Latest Technological Advancements	100%
Key Management Personnel	81	Aspects covered under Trainings include: • Competency Development programmes • Project Management • Trainings related to various technical functions	100%
Employees other than BODs and KMPs	132	Technical & Behavioural Trainings: • Safety & Health related trainings • Core course modules • SAP • Control panel Operations • Managerial skill development trainings	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.

a. Monetary

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	Zero (the company maintains a track record of zero non-compliance. No such penalties or fines were levied on the company in FY 2022-23)				
Settlement					
Compounding fee					

b. non-Monetary

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	0			
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

NIL

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The company has policies relating to anti-corruption, and anti-bribery. Cases of Corruption and Bribery of employees are dealt with as per the Conduct, Discipline and Appeal Rules (CDA), 1980. Rule 29 of CDA Rules, 1980, lays down the different types of penalties for the misconducts such as corruption and bribery.

https://cpcl.co.in/connect/citizen-charter/vigilance

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Category	FY 2022-2023	FY 2021-2022
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints regarding conflict of interest:

Nil; no such instances of conflict of interest were identified in FY 2022-23.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

N.A; no such instances were identified.

Leadership Indicators

1. Awareness programs conducted for value chain partners on any of the principles during the financial year:

The company engages with vendors and service providers regularly on ethical behaviour and related topics.

2. **Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.**

Yes, The Company's Code of conduct for the Board of Directors and Senior Management Personnel mandates that the Directors and Senior Management Personnel should avoid getting involved in any business, relationship, or activity that could create an unfavorable Conflict of Interest situation for the Company. The Company has obtained disclosures from its Directors under sections 149 and 184 of the Companies Act, 2013, which includes information on any entities where the Director has any interest or concern and their shareholding, if applicable. As per the Company's Policy on materiality of related party transactions and dealing with related party transaction, any entity where the Director holds an interest or concern are considered related parties of the Company, the Company's Committee / Board takes necessary approvals before entering transactions with such related parties.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Type	FY 2022-2023	FY 2021-2022	Details of improvement in social and environmental aspects
Research & Development (R&D)	Rs 9.72 Crore (100%)	Rs 7.15 Crore (100%)	Expenditure incurred on R&D activities relating to process optimization, new product development etc.,
Capital Expenditure (CAPEX)	Rs 638.18 Crore (100%)	Rs 636.33 Crore (100%)	Improving equipment efficiency, augmenting facilities & supply chain (to maintain strategic fuel supply and deliver energy products), clean energy, etc.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, Sectoral problems like resource depletion and geopolitical unpredictability are significant for the oil and gas industry. The company signs agreements to acquire crude oil on a yearly basis. The corporation has also expanded the locations of its worldwide crude sourcing centres. Additionally, the crude basket is increased, and stockpiles are optimised.

In all such purchases, the company abides by the codes and standards that have been established by the Ministry of Petroleum & Natural Gas,,the Board and the Senior Management.

The company also places a lot of importance for local purchases for non-crude procurements.

b. **If yes, what percentage of inputs were sourced sustainably?**

100% crude has been procured as per established standards.

38.96% of non-crude procurement has been done from MSEs and Class I Local Suppliers as per the Public Procurement Policy 2012 (PPP-2012)

3. **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Product	Process to safely reclaim the product
a. Plastics (including packaging) b. E-Waste c. Hazardous Waste	Plastics / organic waste (wood) / stationary wastes are sold to recyclers. Hazardous Wastes are sent to Authorized recyclers or to government authorized Treatment, Storage, Disposal Facilities in line with Hazardous And Other Wastes (Management and Transboundary Movement) Rules, 2016.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

EPR Registration for plastic is in progress.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, provide details in the following format.

The company has made significant investments in process efficiency at our refineries which has resulted in high-quality products, reduced wastes and lesser consumption of energy and other resources in operations.

2. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

In MT

Parameter	F.Y 2022-23		F.Y 2021-22	
	Recycled	Safely Disposed	Recycled	Safely Disposed
Plastic Waste (A)	17.03	-	15.79	-
E-Waste (B)	1.76	-	5.35	-
Bio Medical Waste (C)	-	0.06	-	0.25
Radio Active Waste (D)	-	-	-	-
Spent Catalyst	1211.00	387.30	1229.80	441.00
Paper Waste	18.77	-	14.12	-
Total	**1248.56**	**387.36**	**1265.06**	**441.25**

3. Reclaimed products and their packaging materials (as a percentage of products sold) for each product category.

The company does not use any significant amount of any packaging material.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Employees											
Male	1390	1390	100%	1390	100%	1390	100%	1390	100%	1390	100%
Female	76	76	100%	76	100%	76	100%	76	100%	76	100%
Total	1466	1466	100%	1466	100%	1466	100%	1466	100%	1466	100%
Other than Permanent Employees											
Male	Nil										
Female											
Total											

2. Details of retirement benefits, for Current FY and Previous Financial Year:

		FY 2022-2023		FY 2021-2022	
		No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	100%	Yes	100%	Yes
2	Gratuity	100%	Yes	100%	Yes
3	ESI	NIL	NA	NIL	NA
4	Others-Please Specify	100%	Yes	100%	Yes

3. **Accessibility of workplaces: Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes; the company has lifts, ramps and other suitable infrastructure to make our premises accessible for persons with physical challenges.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.**

Yes

The policy is available for the employees in the company Intranet

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Total number of people returned after parental leave in FY 22-23	Total Number of people who took parental leave in FY 22-23	Return to work rate	Total Number of people retained for 12 months after returning from parental leave	Total number of people returned from parental leave in prior FY	Retention Rate
Permanent Employees						
Male	72	72	100%	72	61	100%
Female	3	3	100%	3	1	100%
Total	75	75	100%	75	62	100%

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

Category	Yes/No	Details of the mechanism in brief
Permanent Employees	Yes	Online system are available for employees to raise any type of grievances. The status of the grievances reported may also be seen in the same portal. Procedures as described in our codes and standards are used to resolve the reported grievances in a fair and transparent manner.
Other than Permanent Employees	Not Applicable	

7. **Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

Category	FY 2022-2023			FY 2021-2022		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	%(D/C)
Permanent Employees						
Male	692	571	83%	694	621	89%
Female	61	52	85%	59	51	86%
Total	753	623	83%	753	672	89%
Permanent Workers						
Male	698	686	98%	713	581	81%
Female	15	15	100%	20	15	75%
Total	713	704	99%	733	596	81%

8. Details of training given to employees and workers:

a. Details of Skill training given to employees and workers.

Category	FY 2022-2023 (Current FY)			FY 2021-2022 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who received Skill Training (B)	% (B/A)	Total employees / workers in respective category (C	No. of employees / workers in respective category, who received Skill Training (D)	%(D/C)
Permanent Employees						
Male	1390	896	64%	1407	859	61%
Female	76	67	88%	79	74	94%
Total	1466	963	66%	1486	933	63%

b. Details of training on Health and Safety given to employees and workers.

Category	FY 2022-2023 (Current FY)			FY 2021-2022 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who received training on Health and Safety (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who received training on Health and Safety (D)	%(D/C)
Permanent Employees						
Male	1390	789	57%	1407	725	52%
Female	76	62	82%	79	38	48%
Total	1466	851	58%	1486	763	51%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-2023 (Current FY)			FY 2021-2022 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who had a career review (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who had a career review (D)	%(D/C)
Permanent Employees						
Male	1390	1390	100%	1407	1407	100%
Female	76	76	100%	79	79	100%
Total	1466	1466	100%	1486	1486	100%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)

Yes

a.1 What is the coverage of such system?

100% of the entire workforce including all the Employees and workers are covered under the Occupational Health and Safety (OHS) Management system.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Periodic inspection on process safety, Safety auditing system, HAZOP and Risk assessment, Near Miss reporting system, Job safety analysis, work permit system, safety surveillance audits, periodic safety tours by top management are among the processes used to identify, assess and manage risks on a routine and non-routine basis.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)

Yes, Near Miss reporting system is available to all employees and workers. Safety committees are in place to address this any such incidents reported.

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes; non-occupational medical services are also offered and coordinated by the OHC. Some such measures include, provision of spectacles, consultations by specialist (e.g., cardiologist) and other tests etc. The OHC was also instrumental in administering COVID vaccines to workers and their families and the general public during the outbreak of the pandemic.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2021-2022 Current Financia Year	FY 2020-2021 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
Total recordable work-related injuries	Employees	0	0
No. of fatalities	Employees	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

To ensure a safe and healthy workplace, CPCL keeps a constant vigil on its safety management practices and sets very high safety standards. Detailed instructions and procedures are laid out for carrying out the jobs and work permit system are in place as required for tasks which involve higher risks (e.g., working at heights). Process units and Offsite facilities are constructed as per Safe Design practices and built-in-safety features are provided. Planned Inspection & Maintenance of equipments is ensured. Adherence to Standard Operating Procedures (SOPs) for plant operations and maintenance is strictly followed. Emergency detection and communication system is in place; Emergency Response & Disaster Management Plan (ERDMP) is well documented, updated periodically and communicated to all employees and workers. Onsite mock drills are conducted in the presence of statutory authorities. Fire protection system's adequacy is reviewed, internal and external safety audits are conducted periodically. Near Miss incident reporting and liquidation system are in place to correct unsafe conditions. Various safety committees are in place. Mutual aid system with neighboring industries has also been put in place. Various safety training and safety awareness programs are conducted on regular basis for all employees and workers.

13. Number of Complaints on the following made by employees and workers:

Topic	FY 2022-2023 (Current FY)			FY 2021-2022 (Previous FY)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	NA	Nil	Nil	NA
Health & Safety	Nil	Nil	NA	Nil	Nil	NA

14. Assessments for the year:

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100 % of plant areas and office areas
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

After the assessment of the plant areas and office areas, in case of any significant risks/concerns, the plant in charge is alerted and the gaps are mitigated immediately.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N):

Yes; CPCL provides compensatory package at the time of any unforeseen circumstances such as employee death. CPCL provides the same under Emergency Action Scheme, Welfare scheme and Superannuation scheme where packages ranging between INR 10 - 15 lakhs are provided to the employees' families for their immediate support. CPCL also provides group accidental policies to provide monetary support in case of any accidents.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners

The company's procurement process requires suppliers to abide by applicable laws and provide an undertaking to this effect.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Employees	Nil			
Workers				

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No).

Yes; six months before the scheduled retirement of the employees, a Financial Planning program is extended to the applicable employees that advices them on suitable options for investment and financial wellbeing. Programs are also conducted educate employees on maintenance of Physical and mental wellbeing post-retirement. The company also provides employees with a health insurance cover of upto INR 8 lakhs after retirement for the rest of their life, to ensure physical and financial health post-retirement.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all their stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity:

Customers, employees, banks, business partners, shareholders, regulators, and neighboring communities are just a few of the many groups that make up the company's stakeholders. The company also provides services for the manufacture of petroleum and petrochemical products. The Company tries to keep good relationships with all of its stakeholder groups, which are chosen based on their ability to benefit the Company's operations. Employees, Clients/Customers, Shareholders, Beneficiaries of CSR Projects, and Regulatory Bodies have been designated by the Company as the major stakeholders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly /others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	1 on 1 Interaction, E-Mail, Senior Management Meet, Internal Communication Platform	Quarterly & Annually (Also as and when required)	Career Development, Salaries, Perquisites, Work Ethics, Policy Communication, Team Building
Customers	No	E-Mails, Websites, Newspaper & Other Digital Platforms, Customer Satisfaction Survey	Ongoing and on need basis	Superior Customer Service throughout life cycle
Shareholders	No	Quarterly Earnings Calls, E-Mails, SMS, Newspaper, Advertisement, Notice, Website, Annual General Meeting, Intimation to Stock Exchanges, Quarterly Financial Results & Investor Meeting, Conference Calls, Investor Presentation, Press Release, Annual Reports & Transcript, Others	Quarterly and on need basis	To stay abreast of developments in the Company, Performance of the Company and the Sector, Address any concerns / grievances raised.
Beneficiaries of CSR Project	Yes	Partnership with local charities, Community Visits, Implementing Agencies etc.	Quarterly and on need basis	Monitoring and implementing the CSR Project and activities
Regulatory Bodies	No	E-Mails, 1 on 1 Meetings, Conference Calls, Website, BSE Listing Portal & NSE Online NEAPS Portals	Quarterly and on need basis	Discussion regarding various approvals, circular, guidelines, suggestions, amendments, among others

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company promotes continuous and proactive engagement with its Stakeholders to enhance the communication of its performance and strategies, including on ESG. The Board is regularly updated on different developments and the Directors are requested to provide feedback on these updates.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, The Company conducts a root cause analysis on customer complaints / grievance, which presents an opportunity to enhance its service. In addition, the Company's CSR Team identifies needy and under served areas to initiate health and educational aid, encouraging the participation of Stakeholders.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

CPCL has been actively striving towards uplifting communities in the domains of education, healthcare, rural development. As a responsible Corporate Citizen, we regularly engage with Marginalized and Vulnerable segment of our society. The Company employs a diverse range of techniques to identify such Stakeholders who may need assistance.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-2023 (Current FY)			FY 2021-2022 (Previous FY)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employee						
Permanent	1466	54	4%	1486	24	1.6%
Other than permanent	Nil					
Total Employees	1466	54	4%	1486	24	1.6%

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2022-2023 (Current FY)					FY 2021-2022 (Previous FY)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Total	1466	1466	100%	1466	100%	1486	1486	100%	1486	100%
Male	1390	1390	100%	1390	100%	1407	1407	100%	1407	100%
Female	76	76	100%	76	100%	79	79	100%	79	100%
Other than Permanent										
Total	Nil									
Male										
Female										

3. **Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Average Remuneration/ Salary/ Wages of Respective Category	Number	Average Remuneration/ Salary/ Wages of Respective Category
Board of Directors (BoD)	4 (Managing Director & Functional Directors alone)	INR 89.2 Lakhs	Nil	N,A
Key Managerial Personnel	5 MD -CEO, Director (Finance)CFO, Director (Operations), Director (Technical) -Whole Time Directors, Company Secretary – Compliance Officer	INR 87.7 Lakhs	-	-
Employees other than BoD and KMP	1385	Not Calculated*	76	Not Calculated*

* The Companies' Act 2013 contains a provision relating to calculation of median salaries of employees. However, the requirement is exempt for PSUs. In view thereof, the median salaries of employees and permanent workers has not been computed.

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, CPCL has a mechanism in place to handle issues or impacts relating to human rights. According to the severity of the effect, human rights-related complaints are filed through the appropriate Engineer-In-Charge or grievance cells, and the concerns are either handled on-site or escalated to higher level.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Online Grievance Management System is in place to redress any kind of grievance by the employees including violation of Human Rights

6. Number of Complaints on the following made by employees and workers:

	FY 2022-2023			FY 2021-2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil; supported by the robust implementation of our polies and procedures, there have not any instances of such issues reported in the current year.					
Discrimination at workplace						
Child Labour						
Forced Labour/ Involuntary Labour						
Wages						
Other human rights related issues						

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Employees can report any improper activity that results in a violation of the law, a rule, a regulation, or a code of conduct by another employee, including instances of discrimination or harassment. According to the Whistle Blower policy, any misconduct in any form can be reported and immediate action will be taken. As per the policy, the identity of the person who gives the complaint will remain anonymous. To create an awareness among all the stakeholders, awareness or training programs are conducted periodically emphasizing the importance of creating a safe and secure workplace. A grievance mechanism is available for registering any complaints and taking immediate actions. Apart from the same, periodic audits are carried to assess the practices.

In this regard, an Internal Complaints Committee (ICC) has also been constituted to deal with sexual harassment complaints and conduct enquiries. Regular workshops were organized, especially for women employees to bring awareness about their rights and facilities at the workplace emphasizing the provisions of the Act. There were no complaints of sexual harassment during the year.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, all purchase agreements include clause on maintaining compliance to applicable regulations (and CPCL's codes), including those relating to human rights aspects like avoidance of child and forced labour.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100%
Forced/involuntary labor	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

Employees at CPCL have access to a clear grievance resolution process. Any employee may file a grievance, and it will be addressed within the allotted period. Additionally, the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, currently has an internal committee in existence.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

There were no instances of any complaints in the current reporting period. Changes to our grievance process were not necessitated.

2. Details of the scope and coverage of any Human rights due diligence conducted.

All offices and plant locations of CPCL were assessed for any human rights violations. No issues were identified during such assessments.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes; the company has lifts, ramps and other suitable infrastructure to make our premises accessible for persons with physical challenges.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Total electricity consumption (A) (GJ)	1,78,87,140	1,76,50,152
Total fuel consumption (B) (GJ)	2,08,12,126	1,66,62,690
Energy consumption through other sources (C) (GJ)	-	-
Total energy consumption (A+B+C) (GJ)	**3,86,99,266**	**3,43,12,842**
Energy intensity per rupee of turnover (Total energy consumption/turnover) (GJ per Rs Cr)	425.6	568.1

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Energy Audit carried out by BEE Accredited External Agency - M/s PGS Energy Service Pvt Ltd in June 2023.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Yes, CPCL has achieved the targets set under PAT Cycle -II. Upon performing better than the target, CPCL was alloted 20833 Nos. of ESCerts under the PAT Scheme by Bureau of Energy Efficiency (BEE). Through the trading platform, IEX, CPCL initiated trading of ESCerts since February 2023.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	Nil	Nil
(iii) Third party water	75,11,080	75,33,513
(iv) Seawater / desalinated water	45,23,954	47,98,751
(v) Others (Rainwater storage)	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,20,35,034	1,23,32,264
Total volume of water consumption (in kilolitres)	1,20,35,034	1,23,32,264
Water intensity per rupee of turnover (Water consumed / turnover) (kl/₹ Crore of Revenue)	**132.4**	204.2

No independent assessment/ evaluation/assurance has been carried out by an external agency

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, treated water is utilised for boiler feed water, fire water networks, cooling tower make-up, and other purposes. Additionally, effluent water is also used in horticulture with minimum additional treatment.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
NOx	Tonnes	2.55	3.19
SOx	Tonnes	7.73	6.12
Particulate matter (PM)	Tonnes	1.28	1.08
Persistent organic pollutants (POP)	NA	Nil	Nil
Volatile organic compounds (VOC)	MT	21.99	23.99
Hazardous air pollutants (HAP)	mg/m3	Nil	Nil
Others – please specify	PPM	-	-

No independent assessment/ evaluation/assurance has been carried out by an external agency.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO_2e	29,04,386	24,81,857
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO_2e	13,646	598
Total Scope 1 and Scope 2 emissions	tCO_2e	29,18,032	24,82,455
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (in Rs.)	tCO_2e/Cr	32.1	41.1

No independent assessment/ evaluation/assurance has been carried out by an external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide detail

S. No.	Description of emission reduction initiative/Project	Nature of initiative	Base Year	Scopes in which reductions took place (Scope 1, Scope2, Scope 3)	Amount of reduction in ($MTCO_2e$)	Calculation methodology
1	CPCL has progressively modified the process heaters, Gas Turbines & Boilers to accommodate RLNG, a cleaner fuel with a focus on reducing the emissions. At present, CPCL is utilizing 2,69,555 MT of RLNG in place of Furnace oil.	Cleaner gaseous fuel	2022-23	Scope 1	3,60,000	IPCC 2006
2	A total of 28 no of Energy Conservation schemes including 7 major schemes were implemented (Details listed in Disclosure 6)	Energy saving	2022-23	Scope 1	49,917	IPCC 2006
3	Total windmill Power Generation in 2022-23 was 25.7 Million units	Renewable	2022-23	Scope 2	20,870	CEA
4	14200 no of LED lights replaced in 2022-23	Energy saving	2022-23	Scope 2	6,000	CEA
5	1500 no of trees were planted in 2022-23	carbon sequestration	2022-23	Scope 1	32	

8. Provide details related to waste management by the entity, in the following format:

In MT

Parameter	F.Y 2022-23		F.Y 2021-22	
	Recycled	Safely Disposed	Recycled	Safely Disposed
Plastic Waste (A)	17.03	-	15.79	-
E-Waste (B)	1.76	-	5.35	-
Bio Medical Waste (C)	-	0.06	-	0.25
Radio Active Waste (D)	-	-	-	-
Spent Catalyst	1211.00	387.30	1229.80	441.00
Paper Waste	18.77	-	14.12	-
Total	**1248.56**	**387.36**	**1265.06**	**441.25**

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	
(i) Recycled	Wastes are segregated as Hazardous & Non-hazardous in CPCL. Hazardous Wastes are disposed in line with Hazardous And Other Wastes (Management and Transboundary Movement) Rules, 2016. Non-Hazardous wastes are disposed to recyclers for safe disposal.
(ii) Re-used	
(iii) Other recovery operations	

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	
(i) Incineration	Wastes are segregated as Hazardous & Non-hazardous in CPCL. Hazardous Wastes are disposed in line with Hazardous And Other Wastes (Management and Transboundary Movement) Rules, 2016. Non-Hazardous wastes are disposed to recyclers/safe disposal.
(ii) Landfilling	
(iii) Other disposal operations	

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Wastes are segregated as Hazardous & Non-hazardous in CPCL. Hazardous Wastes are disposed in line with Hazardous And Other Wastes (Management and Transboundary Movement) Rules, 2016. Non-Hazardous wastes are disposed to recyclers / safe disposal.

Chemical dosages are monitored continuously and maintained as per designed specification norm. Wastages of chemicals are avoided by collecting the drains in Solvent blowdown or collector and pumped back to system for recovery.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Nil; none of our facilities are in the vicinity of ecologically sensitive zones.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

SL. No	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
1	Installation of New Catalytic Dewaxing Unit and Modification of OHCU for Production of Group-II/ III LOBS	EIA Notification No. S.O. 1533 (E)	14.09.2006	Yes	No	-

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective actions, if any
1	Water (Prevention and Control of Pollution) Act 1974	No non-compliance reported in FY 2022-23.	Nil	Not applicable
2	Air (Prevention and Control of Pollution) Act 1981		Nil	Not applicable
3	Environment Protection Act		Nil	Not applicable
4	The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules 1996		Nil	Not applicable
5	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016		Nil	Not applicable
6	Noise Pollution (Regulation and Control) Rules 2000		Nil	Not applicable

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
From renewable sources		
Total electricity consumption (A) GJ	91,260	92,448
Total fuel consumption (B)	-	-
Energy consumption through other sources (C) GJ	-	-
Total energy consumed from renewable sources (A+B+C) GJ	**91,260**	**92,448**
From non-renewable sources		
Total electricity consumption (D) GJ	1,77,95,880	1,75,57,704
Total fuel consumption (E) GJ	2,08,12,126	1,66,62,690
Energy consumption through other sources (F) GJ	-	-
Total energy consumed from non-renewable sources (D+E+F) GJ	**3,86,08,006**	**3,42,20,394**

2. Water withdrawal, consumption, and discharge in areas of water stress (in kiloliters):

For each facility / plant located in areas of water stress, provide the following information:

a. Name of the area NA

b. Nature of operations

Refining of crude oil into petroleum

c. Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water		
- No treatment		
- With treatment – please specify level of Treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of Treatment		
(iii) To Seawater		
- No treatment	Nil	Nil
- With treatment – please specify level of Treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of Treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of Treatment		
Total water discharged (in kiloliters)		

Parameter	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Water withdrawal by source (in kiloliters)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water (Fresh water from CMWSSB)	5,15,121	5,82,127
Third party water (Secondary sewage from CMWSSB)	47,84,900	44,06,409
Third party water (Tertiary treated sewage from CMWSSB)	22,11,059	25,44,977
(iv) Seawater / desalinated water	45,23,954	47,98,751
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**1,20,35,034**	**1,23,32,264**
Total volume of water consumption (in kilolitres)	**1,20,35,034**	**1,23,32,264**
Water intensity per rupee of turnover (Water consumed / turnover)		
Water discharge by destination and level of treatment (in kiloliters)		
(i) Into Surface water	0	0
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater	0	0
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater	0	0
- No treatment		
- With treatment – please specify level of treatment		

Water is being treated and reused within the premises. Hence no discharge is being done. No independent assessment/ evaluation/assurance has been carried out by an external agency.

3. Please provide details of total Scope 3 emissions & its intensity, in the following format

Parameter	Unit	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	MMT of CO_2 equivalent	37.1	29.2
Total Scope 3 emissions per rupee of turnover	tCO_2e/Cr	409	484

No independent assessment/ evaluation/assurance has been carried out by an external agency.

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

S. No.	Initiatives Undertaken	Details of Initiative (Web-link, if any, may be provided along-with summary)	Outcome of Initiative
1	RLNG conversion	CPCL has progressively modified the process heaters, Gas Turbines & Boilers to accommodate RLNG, a cleaner fuel, with a focus on reducing the emissions. At present, CPCL is utilizing around 2,69,555 MT of RLNG in place of Furnace oil.	Around 3,60,000 MT of CO2 emissions has been avoided by switching to RLNG in addition to SO2 and PM emission reductions
2	Encon Schemes	A total of 28 no of Energy Conservation schemes including 7 major schemes were implemented	CO2 reduction achieved was 49,917 MT
3	Renewable (windmill) Power	CPCL has installed a 17.6 MW windmill at Pushpathur, which will be converted to hybrid with 40 MW capacity. Total windmill Power Generation in 2022-23 was 25.7 Million units	CO2 reduction achieved was 20,870 MT
4	LED Light replacement	14,200 no of LED lights replaced in 2022-23	CO2 reduction achieved was 6000 MT
5	Trees plantation	1,500 no of trees were planted in 2022-23	CO2 reduction achieved was 32 MT
6	Rationing of Utility water	Rationing of utility water by installing localized storage tanks and to avoid continuous pumping of utility water	Reduction in utility water consumption by 35 m3/Hr
7	Improvement in Recovery condensate	Schemes implemented in various process units for recovering additional steam condensate	Improvement in condensate recovery by 17 m3/Hr
8	Ethanol blending	-	-
9	HSD reduction & LOBS	-	-
10	Increase in Production	-	-

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

The company has a detailed Disaster Management and Business Continuity Plan. Emergency Response & Disaster Management Plan (ERDMP) is well documented, updated periodically and communicated to all employees and workers. Onsite mock drills are conducted in the presence of statutory authorities. Fire protection system's adequacy is reviewed, internal and external safety audits are conducted periodically.

PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a **Number of affiliations with trade and industry chambers/ associations.**

   7 (Seven)

   b) **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. no	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Transparency International India (TII)	National
2	Federation of Indian Petroleum Industry (FIPI)	National
3	Confederation of Indian Industry	National
4	Standing Conference of Public Enterprises (SCOPE)	National
5	Madras Chamber of Commerce & Industry (MCCI)	National
6	Global Compact Network (GCN)	National
7	Manali Industries Association (MIA)	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Not applicable. No instances of anti-competitive behaviour were observed/reported.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

No Impact assessment studies were conducted in FY 2022-23. Details of the Impact Assessment study conducted, as per the applicable regulations, have been included in Annual Report for FY 2021-22.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

Nil; none of our projects were required to undertake any R&R activities.

3. Describe the mechanisms to receive and redress grievances of the community

CPCL undertakes various social welfare initiatives viz. Health, Education & Skill Development, Swachh Bharat activities, Disaster Management, Livelihood etc. are undertaken with focus on the economically and socially underserved sections of society, mostly around our refineries i.e. Manali, Chennai & Cauvery Basin, Nagapattinam including adoption of 3 villages. Further, as directed by GoI to raise the living standards and to ensure the inclusive growth of the people in the districts dentified as Aspirational Districts, CPCL had undertaken CSR initiatives in Ramanathapuram and Virudhunagar districts in Tamil Nadu, even though we do not have a business presence in these districts.

4. Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:

Parameter	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Directly sourced from MSME's/ Small producers	38.96%	51.83%
Sourced directly from within the district and neighboring districts	44.53%	12.18%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above)

No negative social impacts were identified/reported.

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

State	Aspirational District information	Amount spent in Rs Lakhs
Tamil Nadu	Ramanathapuram – Mobile Medical Units (MMUs) – 2 nos have been provided in the district.	25.0

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No, However, purchase preference related to MSE is applicable.

4. Details of beneficiaries of CSR Projects.

S. no	CSR Project	No of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized group *
1.	Mobile Medical Unit through Helpage India in Ramanathapuram.	10,000	
2.	Mobile Medical Unit through Helpage India in Manali, Chennai to provide General Health Care services	22,225	
3.	One year CMC for 6 Nos. of PSA oxygen plant supplied to 2 nos. of Govt. Hospitals each in Kerala & Karnataka	18,177	
4.	Medical Equipment OHS Assets donation to Community Health Centre, Manali.	7,500	
5.	Eye Camp at Manali & Thiruvottiyur through Sankara Nethralaya.	800	

S. no	CSR Project	No of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized group *
6.	Swachh Bharat Campaign & Awareness programme Swachhta Drive and SwachhtaPakhwada will be celebrated as per Directives of Ministry. Activities like tree plantation, toilets construction, toilet maintenance, painting in public places, Dustbins installation, Competitions, Walkathons, etc will be organized.	400	* The community enhancement and improving life as a whole is the goal of CPCL's CSR initiatives, detailed numbers for individual projects are not disclosed.
7.	Maintenance of School Toilets	5,000	
8.	Volleyball Tournament -Nagapattinam- Sports - Sponsorship for Prizes	800	
9.	Volleyball Tournament - Sports - Sponsorship - Karaikal	60	
10.	Contribution for conducting Graphic Design Course by Vivekananda Cultural Centre (VCC)	60	
11.	Skill Development – contribution towards stipend payable to apprentices	55	
12.	Construction of Cycle Parking Shed for Government Model School at B. Mutlur, Cuddalore District	190	
13.	Donation of Furniture, Computers, Name Board for Koranjur Primary School, Minjur.	110	
14.	AKAM program at Pondicherry	60	
15.	CIBA Awareness programme for the school students and coastal tribal and schedule caste families	350	
16.	Distribution of Sarees to North Chennai people	115	
17.	Distribution of Dhothies to North Chennai people	5,000	

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   Being a B-to-B business, complaints, if any, are received from the customers and handled on a case-to-case basis. We also conduct customer meets twice a year to collect the feedback from our valued customers and to update them on the market and emerging scenarios.

2. **Turnover of products and/services as a percentage of turnover from all products/service that carry information.**

Type	As a percentage to total turnover
Environment and Social parameters relevant to product	Information on product / services is provided in the technical sheets & citizen's charter
Safe and responsible usage	Material safety data sheet (MSDS) is available online and all stakeholders are informed on a regular basis on safe handling of material during transit/ Use.
Recycling and/or safe disposal	All the packaging bags are labelled with recycling code.

3. **Number of consumer complaints**

<table>
<tr><th rowspan="2"></th><th colspan="3">FY 2022-2023
Current Financial Year</th><th colspan="3">FY 2021-2022
Previous Financial Year</th></tr>
<tr><th>Received during the year</th><th>Pending resolution at the end of year</th><th>Remarks</th><th>Received during the year</th><th>Pending resolution at the end of year</th><th>Remarks</th></tr>
<tr><td>Data privacy</td><td colspan="6" rowspan="7">NIL</td></tr>
<tr><td>Advertising</td></tr>
<tr><td>Cyber-security</td></tr>
<tr><td>Delivery of essential services</td></tr>
<tr><td>Restrictive Trade Practices</td></tr>
<tr><td>Unfair Trade Practices</td></tr>
<tr><td>Others</td></tr>
</table>

4. Details of instances of product recalls on account of safety issues

	Number	Reason for recall
Voluntary recalls	Nil	
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy. –

Yes, the company's cyber security policy is available on the company's intranet portal for all employees to access.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Cyber Security: Best in Class Network Perimeter Firewall, Web Application Firewall and EDR (End-Point-Detection Response) systems are installed in Manali Data Centre. To further strengthen, setting up a Cyber Security Operation Centre (SOC) is under progress and all our customer data is stored in SAP server which is located at IOCL Gurgaon Data Center.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information relating to products and other services is available on the Company's website, (www.cpcl.co.in)

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services. –

Under SAKSHAM initiative of the Petroleum Conservation Research Association (PCRA) and Ministry of Petroleum and Natural Gas (MoP&NG), various awareness campaigns, competitions, dialogues, and consultations were undertaken with customers, employee, dealers' representatives to promote sustainable consumption behavior.

– Details published on website as well as communicated to customers/ channel partners for safe use and handling of products.

– For bulk customers, product related trainings, demonstrations and meetings were undertaken to instruct on safe and responsible usage of products

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services. –

CPCL predominantly operates in bulk customers segment and there are well established contact mechanism in place for dissemination of information on product availability or disruption

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief. Did your entity carry out any survey regarding consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) –

Yes. Our specialty products namely Food Grade Hexane and Paraffin Wax (All grades) follow Bureau of Indian Standards (BIS) guidelines for product information and labelling. Certificate of Conformity along with BIS license no. is issued for FG Hexane as per BIS regulation with each consignment. BIS license is printed on each bag on Paraffin wax (All grades). Specification of Feedstock and other products supplied to downstream industries are firmed up and agreed between Buyer and Seller. Consumer feedback is collected during consumer meets conducted twice every year.

Independent Auditor's Report

To
The Members of Chennai Petroleum Corporation Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Chennai Petroleum Corporation Limited** ("the Company"), which comprise of the Balance sheet as at March 31, 2023, the statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements'').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statement in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules framed thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be key audit matters:

Sr. No.	Key Audit Matter	How the scope of our audit responded the Key audit matter
1.	**Measurement of Inventories (excluding stores and spares)**	
	a) As at March 31, 2023 the value of Inventory is Rs.5973.59 Crore. This constitutes significant percentage (37.70 %) of the total assets of the Company. b) Inventory comprises of Raw Materials, Finished Goods, Stock in process and Stores and Spares. c) Crude is the main raw material for the Company, which are both imported and are also procured in the domestic market. d) Pricing of the crude depends upon the international crude quote and any fluctuation in the crude price have an impact on the pricing of the finished goods. e) The net realization price is determined for the crude and also for the finished goods based on the subsequent periods quoted price of crude and finished goods as determined internationally. As stated above, considering the significance of the value of the inventory and also price determination requires estimations and judgment about depending on the international market, it is considered as a key audit matter.	a) We have understood the process of the determination of the price of both for the crude and the finished goods. b) We have evaluated the system of inventory monitoring and its control on a day-to-day basis and also physical verification carried out by the management as on March 31, 2023. c) We have physically verified the certain crude tanks and product tanks and also other stores and spares items at the yearend along with the technical team. d) Goods in transit has been verified based on the purchase order raised and the other related documents in its regard. e) In addition to that we have also carried out alternate audit procedures to identify the availability of the inventory at the year end. f) We have also reviewed the workings relating to net realizable value of the subsequent period which depends on fixation of refinery transfer pricing (RTP) based on the international quotes. g) Further we reviewed the write down in the value of inventory along with the realizable value and reason for the same.

Sr. No.	Key Audit Matter	How the scope of our audit responded the Key audit matter
2.	**Provisions and Contingent Liabilities**	
	a) Contingent liabilities disclosed are in respect of items which in each case are above the threshold limit. b) The assessment of the existence of the present legal or constructive obligation and analysis of the probability of the related payment require the management to make judgement and estimates in relation to the issues of each matter. c) Considering that the above matter involves judgement and estimation, it is considered as key audit matter.	a) We examined on test check basis the determination of the contingent liability by the management. b) We obtained all the necessary records for our review and enquired with the personnel of legal department with respect to the pending matters and understood the basis of determination of probable/possible obligation. c) We also reviewed the necessary legal records and also reviewed the opinion provided by the experts/ counsels/ previous legal precedents available to understand the same on its conclusion. d) We have relied on the opinions of the company where company has considered that the possibility of cash outflow is remote. We have assessed the appropriateness of provisioning based on assumptions made by the management and presentation of the significant contingent liability in the financial statements.

Information other than the Standalone Financial Statements and our Report thereon

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in Annual Report, but does not include the Standalone and Consolidated Financial Statements and our auditor's reports thereon. The Annual Report is expected to be made available to us after the date of this report.

Our opinion on the Standalone Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Those Charged with Governance and take necessary actions as applicable under the relevant laws and regulations.

Responsibilities of the Management and Those Charged with Governance for the Standalone financial statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity, cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. Based on the verification of records of the Company and based on information and explanations provided to us during the audit, we provide here with a report on the Directions issued by the Comptroller and Auditor General of India in terms of Section 143(5) of the Act as "**Annexure B**".

3. As required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;

e) As per notification no. G.S.R 463(E) dated June 5, 2015, the Government Companies are exempted from the provisions of section 164(2) of the Act, accordingly, we are not required to report whether any of the directors of the Company is disqualified in terms of provisions contained in the said section;

f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure C**".

g) We are informed that the provisions of Section 197 read with Schedule V of the Act, relating to managerial remuneration are not applicable to the Company, being a Government Company, in terms of Ministry of Corporate Affairs Notification no. G.S.R. 463 (E) dated 5th June, 2015.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 financial statements. (Refer Note 33B to the Standalone Financial Statements).

ii. The Company has made provision, as required under the applicable law or accounting standards for material foreseeable losses, if any, on the long-term contracts including derivative contracts to the standalone financial statements; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Hence the question of reporting delay in depositing dues does not arise.

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on our audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that above representations under sub-clause iv (a) and iv (b) contain any material mis-statement.

v. The final dividend proposed in the previous year and paid by the Company during the year, is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 29 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of members at the ensuing annual general meeting. The dividend proposed is in accordance with provisions of Section 123 of the Act to the extent it applies to declaration of dividend.

vi. As proviso to rule 3(1) of the Companies (Accounts) Rule, 2014 is applicable for the Company only with effect from April 1, 2023, reporting under this clause is not applicable.

For G.M. Kapadia & Co.
Chartered Accountants
Firm Registration No.104767W

Place: Chennai
Dated this 27th of April 2023

Satya Ranjan Dhall
Partner
Membership No. 214046
UDIN: 23214046BGQJTD1227

Annexure 'A' to the Independent Auditor's Report

Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report on even date, to the members of Chennai Petroleum Corporation Limited on the Standalone Financial Statements for the year ended March 31, 2023.

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of Intangible Assets.

(b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In accordance with this programme, a portion of the Property, Plant and Equipment has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanation given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company except in case of certain freehold lands given below, where deeds are yet to be executed:

Description of property	Gross carrying value (Rs. in Crore)	Net Block (Rs. In Crore)	No. of Assets	Held in name of	Whether promoter, director other relative or employee	Period held	Reason for not being held in name of company
Land freehold	Nil	Nil	40.69 acres	Not Applicable	Not applicable	Not Available	The Tamilnadu Government has allotted the land for which permission to enter upon the land GO No. 695 dated April 26, 1990 is available. However assignment deed is not yet executed.
Land freehold	0.18	0.18	50.93 acres	Not Applicable	Not Applicable	39 years (1984-2023)	GO No. 605 dated May 31, 1984 directs to handover the possession of property to Company. However, assignment deed is not yet executed.
Land freehold	Nil	Nil	94.39 acres	Not Applicable	Not Applicable	Not Available	The Tamilnadu Government has allotted the land for which permission to enter upon the land to the extent of 7.15 acres dated December 03, 2001 and for 87.24 acres dated February 20, 2009 is available. However, assignment deed is not yet executed.

(d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year. Accordingly, paragraph 3(i)(d) of the order is not applicable.

(e) As represented by the management, there are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by the Management were appropriate.

No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

(b) As stated in Note 19, the Company has been sanctioned working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets. We have observed that there are no discrepancies in the quarterly statement filed by the Company with such banks as compared to the books of account maintained by the Company. However, we have not carried out specific audit of such statements.

iii. The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year,

(a) (A) During the year the Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to subsidiaries, joint ventures and associates. Consequently, the provisions of clause 3(iii)(a)(A) and 3(iii)(a)(B) of the order are not applicable to the Company.

(b) In our opinion and according to the information and explanation provided to us, the investments made and the terms and conditions on which the loan has been granted are prima facie, not prejudicial to the Company's interest.

(c) In respect of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular. There are no advances in the nature of loans.

(d) In the case of loans granted by the Company, there is no overdue amount for more than ninety days in respect of loans given.

(e) In respect of loan which has fallen due during the year no loan was renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties. There are no advances in the nature of loans.

(f) The Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.

iv. In our opinion and according to the information and explanations given to us, the Company did not grant any loan, make any investment and give guarantees or security during the year which requires compliance under section 186 of the Companies Act. In respect of loans to parties covered under section 185, provisions of section 185 have been complied with.

v. In our opinion and according to the information and explanation given to us, the Company has neither accepted any deposits nor any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable. We have been informed by the management that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.

vi. We have broadly reviewed accounts and records maintained by the Company pursuant to rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act, in respect of Company's products to which the said rules are made applicable and are of the opinion that, prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of records with a view to determine whether they are accurate.

vii. (a) The Company is regular in depositing undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, value added tax, cess and any other material statutory dues, as applicable, to the appropriate authorities. No undisputed amounts payable in respect of these statutory dues were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) The statutory dues as referred above in vii(a) that have not been deposited on account of any dispute is as given below: -

Name of the Statue	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Gross Amount* (Rs. in Crore)	Amount Paid under Protest (Rs. in Crore)
Central Excise Act 1944	Central Excise	CESTAT	April 2006 to January 2011, 2012-13 to 2014-15	2.93	2.46
		Principal Commissioner of Central Tax (GST) & Central Excise	August 2015 to February 2017	501.06	10.00
		Asst. Commissioner of Central Tax (GST) & Central Excise	January 2005 to June 2005	0.99	0.00
Sales Tax/VAT Legislations	Sales Tax / VAT	Sales Tax Appellate Tribunal	2007-08 to 2013-14, 2016-17 (January to March), 2017-18 (April to June)	367.96	170.18
		Joint Commissioner (Appeals)	2014-15, 2015-16	5.67	2.67
		Additional Commissioner	2014 (April to October), 2016 (April to September)	52.86	16.69
		Joint Commissioner (CT)	2016 (October to December)	17.05	0.00
		Deputy Commissioner	1991-92	1.62	0.00
		Deputy Commissioner	April - September 2015, April - September 2016	17.35	17.35
Finance Act 1994	Service Tax	CESTAT	2009-10 to 2016-17 (Upto June 2017)	34.13	0.74
		Commissioner of Central Excise (Appeals)	2016-17 & November 2015, 2009-11	0.14	0.00
		Total		**1,001.76**	**220.09**

*Gross amount includes penalty and interest, wherever applicable.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associates or joint ventures. The Company does not have any subsidiary.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associates or joint ventures. The Company does not have any subsidiary.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the order is not applicable.

(b) In our opinion and according to the information and explanations to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the order is not applicable.

xi. (a) No fraud by the Company or any fraud on the Company has been noticed or reported during the year.

(b) During the year and up to the date of this report, no report under section 143(12) of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year and up to the date of this report.

xii. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanation provided to us and in our opinion, the related party transactions are entered in to by the Company are in compliance with Sections 177 and 188 of Act where applicable, and the details of such transactions have been disclosed in the standalone financial statements, as required by the applicable accounting standard.

xiv. (a) In our opinion the Company has an internal audit system commensurate with the size and nature of its business;

(b) We have considered the internal audit reports of the Company for the period under audit, issued till date, for the period under audit.

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) As per the information and explanation provided to us, the Company is not required to registered under section 45-IA of Reserve Bank of India Act, 1934. Hence, reporting under paragraph (xvi) (a), and (b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulation made by the Reserve bank of India. Accordingly, reporting under paragraph (xvi) (c) of the Order is not applicable.

(d) According to the information and explanations given to us, the Group does not have any CIC as part of the Group as per definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence the reporting under paragraph (xvi) (d) of the order is not applicable.

xvii. According to the information and explanations given to us and based on the examination of the books of accounts, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under paragraph 3(xviii) of the Order is not applicable to the Company;

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that

Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. As per the information and explanation provided to us and based on the examination of the books of account, in our opinion, the Company is not required to spend any amount in pursuance of its Corporate Social Responsibility during the financial year based on the fact that the average net profits of the Company made during the three immediately preceding financial years in accordance with the provision of section 135 of the Companies Act 2013 is negative. Hence provisions of clause 3(xx)(a) and (b) of the Order are not applicable to the Company.

For G.M. Kapadia & Co.
Chartered Accountants
Firm Registration No.104767W

Satya Ranjan Dhall
Partner
Membership No. 214046
UDIN: 23214046BGQJTD1227

Place: Chennai
Dated this 27th of April 2023

Annexure ‘B’ to the Independent Auditor’s Report

Referred to in paragraph 2 under “Report on Other Legal and Regulatory Requirements” of our report on even date

Based on the verification of records of Chennai Petroleum Corporation Limited (the “Company”) and based on information and explanations given to us, we give below a report on the directions issued by the Comptroller and Auditor General of India (“C&AG”) in terms of the section 143(5) of the Act:

Sr. No.	Directions under section 143(5) of the Act	Auditors’ Comment
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated	• As per the information and explanations furnished to us, the company has an Enterprise Resource Planning (“ERP”) system (SAP) to process the accounting transactions. • However, there are few other accounting processes being undertaken through excel spreadsheet like valuation of inventory, interest calculation with respect to borrowings, Ageing in the case of trade accounts receivables and suppliers accounts, ageing of capital work in progress, wherein sufficient controls for data integrity have been observed in our review of general IT controls. There is however a need of automation of such processes to ensure complete data integrity.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to the company’s inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for?	There are no cases of restructuring of any loan or cases of waiver/ write off of debts/ loans/ interest etc. made by any lender to the Company have been noticed during the financial year 2022-23.
3.	Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation	As per the information and explanations furnished to us, the funds received /receivable by the company for specific schemes from Central/State agencies to the extent these are recorded in the books of accounts and records produced before us, were properly accounted

For G.M. Kapadia & Co.
Chartered Accountants
Firm Registration No.104767W

Place: Chennai
Dated this 27th of April 2023

Satya Ranjan Dhall
Partner
Membership No. 214046
UDIN: 23214046BGQJTD1227

Annexure 'C' to the Independent Auditor's Report

Referred to paragraph 3(f) under the heading 'Report on other Legal and Regulatory Requirements' of our independent auditor's report on even date, to the members of the Chennai Petroleum Corporation Limited on standalone financial statements for the year ended March 31, 2023.

Report on the Internal Financial Controls over financial reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

Opinion

We have audited the internal financial controls with reference to Standalone Financial Statements of **Chennai Petroleum Corporation Limited** (the "Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements, and such internal financial controls were operating effectively as at March 31, 2023, based on the internal control with reference to standalone financial statements 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 ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI').

Management's Responsibility for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements 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 (the "Guidance Note") issued by 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial control. 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 with reference to financial statements were 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 with reference to standalone financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Standalone Financial Statements.

A Company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 control with reference to standalone financial statements to future periods are subject to the risk that internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For G.M. Kapadia & Co.
Chartered Accountants
Firm Registration No.104767W

Place: Chennai
Dated this 27th of April 2023

Satya Ranjan Dhall
Partner
Membership No. 214046
UDIN: 23214046BGQJTD1227

Standalone Balance Sheet

as at 31st March 2023

₹ in Crore

Particulars	Note No.	As at 31-Mar-23	As at 31-Mar-22
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	**2**	7596.08	6924.17
(b) Capital work-in-progress	**2.1**	331.43	1209.55
(c) Intangible assets	**3**	40.47	42.46
(d) Intangible assets under development	**3.1**	-	-
(e) Financial Assets			
(i) Investments			
- Equity Investment in Joint Ventures	**4**	11.84	11.83
- Other Investments	**4.1**	0.11	0.11
(ii) Loans	**5**	91.55	60.58
(iii) Other Financial Assets	**6**	1.00	1.45
(f) Income tax assets (Net)	**7**	10.26	71.45
(g) Other non-current assets	**8**	91.13	82.73
		8173.87	8404.33
(2) Current assets			
(a) Inventories	**9**	5973.59	7532.62
(b) Financial Assets			
(i) Trade receivables	**10**	298.67	252.32
(ii) Cash and cash equivalents	**11**	1.23	8.33
(iii) Bank balances other than (ii) above	**12**	7.41	3.67
(iv) Loans	**5**	12.86	10.97
(v) Other Financial Assets	**6**	85.16	76.10
(c) Other current assets	**8**	421.33	377.18
		6800.25	8261.19
(3) Assets included in disposal group held for transfer	**44.1**	867.87	618.46
TOTAL ASSETS		**15841.99**	**17283.98**
II EQUITY AND LIABILITIES			
EQUITY			
(a Equity Share capital	**13**	148.91	148.91
(b) Other Equity	**14**	6132.05	2641.32
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	**15**	2159.19	2391.55
(ia) Lease Liabilities		18.28	11.16
(ii) Other financial liabilities	**16**	6.48	6.60
(b) Provisions	**17**	9.04	9.58
(c) Deferred tax liabilities (Net)	**7**	764.58	563.09
(d) Other non-current liabilities	**18**	20.40	19.04
		2977.97	3001.02
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	**19**	2076.27	6831.15
(ia) Lease liabilities		5.86	4.47
(ii) Trade payables	**20**		
-Total outstanding dues of micro and small enterprises		5.30	6.79
-Total outstanding dues of creditors other than micro and small enterprises		3001.81	3233.27
(iii) Other financial liabilities	**16**	526.37	523.22
(b) Other current liabilities	**18**	431.79	534.31
(c) Provisions	**17**	524.60	334.46
		6572.00	11467.67
(3) Liability included in disposal group held for transfer	**44.1**	11.06	25.06
TOTAL EQUITY AND LIABILTIES		**15841.99**	**17283.98**
Significant Accounting Policies, Estimates & Judgements	**1A & 1B**		
See accompanying notes to the financial statements	**2-44**		

As per our attached Report of even date

For G.M.Kapadia & Co.
Chartered Accountants
(FRN: 104767W)

for and on behalf of Board of Directors

Satya Ranjan Dhall
Partner
Membership No. 214046

(Arvind Kumar)
Managing Director
DIN - 09224177

(Rohit Kumar Agrawala)
Director (Finance)
DIN - 10048961

(P.Shankar)
Company Secretary
ACS -7624

Place : Chennai
Date : 27-Apr-2023

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

₹ in Crore

	Particulars	Note No.	For the Year ended 31-Mar-23		For the Year ended 31-Mar-22	
I.	**Revenue from operations**	**21**		90908.27		60474.29
II.	**Other income**	**22**		15.12		16.23
III.	**Total Income (I + II)**			**90923.39**		**60490.52**
IV.	**Expenses:**					
	Cost of materials consumed	**23**		67188.77		40045.19
	Purchase of Stock-in-Trade			375.89		47.72
	Changes in Inventories (Finished Goods and Work-In Progress)	**24**		978.65		(1227.35)
	Excise Duty			14173.57		17098.91
	Employee benefits expense	**25**		556.30		547.83
	Finance costs	**26**		330.18		412.44
	Depreciation and Amortisation expense on:					
	a) Tangible Assets	**2**	570.06		500.46	
	b) Intangible Assets	**3**	3.40		3.43	
				573.46		503.89
	Impairment losses / (gain)			-		(0.37)
	Other expenses	**27**		1937.87		1230.62
	Total Expenses (IV)			**86114.69**		**58658.88**
V	**Profit before Exceptional items and tax (III - IV)**			4808.70		1831.64
VI	**Exceptional Items**			-		-
VII	**Profit before tax (V + VI)**			**4808.70**		**1831.64**
VIII	**Tax expense:**	**7**				
	(1) Current tax [Includes (15.02) Crore (2022: ₹ 37.27 Crore relating to prior years]			1068.58		37.27
	(2) Deferred tax			206.31		451.95
	[Includes Nil (2022: Nil Crore) relating to prior years]					
IX	**Profit for the year from continuing operations (VII - VIII)**			**3533.81**		**1342.42**
X	Profit/(loss) from discontinued operations			-		-
XI	Tax expense of discontinued operations			-		-
XII	**Profit from Discontinued operations(after tax) (X - XI)**			-		-
XIII	**Profit for the year (IX + XII)**			**3533.81**		**1342.42**
XIV	**Other Comprehensive Income**	**28**				
A.	(i) Items that will not be reclassified to profit or loss			(18.12)		30.85
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	**7**		4.82		(7.61)
XV	**Total Comprehensive Income for the year (XIII + XIV) (Comprising Profit and Other Comprehensive Income for the year)**			**3520.51**		**1365.66**
XVI	**Earning per equity share:**					
	(1) Basic (₹)	**30**		237.31		90.15
	(2) Diluted (₹)			237.31		90.15
Significant Accounting Policies, Estimates & Judgements		**1A & 1B**				
See accompanying notes to the financial statements		**2-44**				

As per our attached Report of even date

For G.M.Kapadia & Co.
Chartered Accountants
(FRN: 104767W)

Satya Ranjan Dhall
Partner
Membership No. 214046

Place : Chennai
Date : 27-Apr-2023

for and on behalf of Board of Directors

(Arvind Kumar)
Managing Director
DIN - 09224177

(Rohit Kumar Agrawala)
Director (Finance)
DIN - 10048961

(P.Shankar)
Company Secretary
ACS -7624

Standalone Statement of Changes In Equity

for the year ended March 31, 2023

(a) Equity Share Capital

₹ in Crore

	No of Equity shares of ₹ 10 each issued, subscribed and fully paid	Subscribed, called-up and paid-up share capital	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of reporting period	Changes in equity capital during the year	Total paid-up equity share capital balance at the end of the reporting period
At 31 March 2022	148911400	148.91	-	148.91	-	148.91
At 31 March 2023	**148911400**	**148.91**	**-**	**148.91**	**-**	**148.91**

(b) Other equity

₹ in Crore

	Reserve and Surplus						Total
	Securities Premium	Insurance Reserve	Capital Redemption reserve	Capital reserve	Retained earnings	General reserve	
At 01 April 2022	250.04	-	700.00	0.09	(1866.28)	3557.47	**2641.32**
Changes in accounting policy or prior period errors	-		-	-	-	-	**-**
Restated balance at 01 April 2022	250.04		700.00	0.09	(1866.28)	3557.47	**2641.32**
Profit for the Year	-	-	-	-	3533.81	-	**3533.81**
Other comprehensive income Remeasurement of gain or loss on defined benefit plan	-	-	-	-	-	(13.30)	**(13.30)**
Total comprehensive income	**-**	**-**	**-**	**-**	**3533.81**	**(13.30)**	**3520.51**
Transfer to Retained Earnings	-	-	-	-	-	-	-
Transfer to Capital Redemption Reserve	-	-	300.00	-	(300.00)	-	-
Transfer to insurance reserve		15.00		-	(15.00)		-
Dividend	-	-	-	-	-	(29.78)	(29.78)
Transfer to General Reserve	-	-	-	-	(950.47)	950.47	-
At 31 March 2023	**250.04**	**15.00**	**1000.00**	**0.09**	**402.06**	**4464.86**	**6132.05**

₹ in Crore

	Reserve and Surplus						Total
	Securities Premium	Insurance Reserve	Capital Redemption reserve	Capital reserve	Retained earnings	General reserve	
At 01 April 2021	250.04	-	600.00	0.09	(3108.70)	3534.23	1275.66
Changes in accounting policy or prior period errors	-		-	-	-	-	-
Restated balance at 01 April 2021	250.04		600.00	0.09	(3108.70)	3534.23	1275.66
Profit for the Year	-	-	-	-	1342.42	-	1342.42
Other comprehensive income Remeasurement of gain or loss on defined benefit plan	-	-	-	-	-	23.24	23.24
Total comprehensive income	**-**	**-**	**-**	**-**	**1342.42**	**23.24**	**1365.66**
Transfer to Retained Earnings	-	-	-	-	-	-	-
Transfer to Capital Redemption Reserve	-	-	100.00	-	(100.00)	-	-
Dividend	-	-	-	-	-	-	-
At 31 March 2022	**250.04**	**-**	**700.00**	**0.09**	**(1866.28)**	**3557.47**	**2641.32**

As per our attached Report of even date

For G.M.Kapadia & Co.
Chartered Accountants
(FRN: 104767W)

for and on behalf of Board of Directors

Satya Ranjan Dhall
Partner
Membership No. 214046

(Arvind Kumar)
Managing Director
DIN - 09224177

(Rohit Kumar Agrawala)
Director (Finance)
DIN - 10048961

(P.Shankar)
Company Secretary
ACS -7624

Place : Chennai
Date : 27-Apr-2023

Standalone Statement of Cash Flows

for the year ended March 31, 2023

₹ in Crore

	Particulars	For the Year ended 31-Mar-23	For the Year ended 31-Mar-22
A	Cash Flow from Operating Activities		
1	**Profit Before Tax**	4808.70	1831.64
2	**Adjustments for :**		
	Depreciation of property, plant and equipment	570.06	500.46
	Impairment losses / (gain)	-	(0.37)
	Loss/(gain) on disposal of property, plant and equipments (net)	9.64	12.10
	Amortisation on intangible assets	3.40	3.43
	Amortisation of Government Grants	(0.86)	(1.67)
	Net Exchange Differences	(15.27)	8.42
	Provision for Capital work-in-progress / Doubtful Debts written back	(1.51)	-
	Provision for Doubtful Debts, Advances and Claims	0.14	-
	Remeasurement of Defined Benefit Plans	(18.12)	30.85
	Provision for Stores (net)	0.27	2.78
	Finance income	(7.19)	(17.73)
	Finance costs	330.18	404.02
	Dividend income	(7.93)	(5.92)
3	**Operating Profit before Working Capital Changes (1+2)**	**5671.51**	**2768.01**
4	**Change in Working Capital:**		
	(Excluding Cash & Cash equivalents)		
	Trade Receivables & Other receivables	(393.66)	(207.34)
	Inventories	1558.76	(3026.49)
	Trade and Other Payables	(269.86)	1241.36
	Provisions	189.60	270.72
	Change in Working Capital	**1084.84**	**(1721.75)**
5	**Cash Generated From Operations (3+4)**	**6756.35**	**1046.26**
6	**Less : Taxes paid**	1007.39	20.39
7	**Net Cash Flow from Operating Activities (5-6)**	**5748.96**	**1025.87**
B	Cash Flow from Investing Activities:		
	Proceeds from sale of Property, plant and equipment / Transfer of Assets	0.13	0.17
	Purchase of Property, plant and equipment	(417.75)	(699.67)
	Interest received (Finance Income)	7.19	17.73
	Dividend Income	7.93	5.92
	Investments	(0.01)	-
	Net Cash Generated/(Used) in Investing Activities:	**(402.51)**	**(675.85)**
C	Net Cash Flow From Financing Activities:		
	Proceeds from Long-Term Borrowings	-	775.00
	Repayments of Long-Term Borrowings (Including lease liability)	(1478.42)	(468.01)
	Proceeds from/(Repayments of) Short-Term Borrowings	(3410.16)	(313.17)
	Interest paid	(435.19)	(336.66)
	Dividends paid	(29.78)	-
	Net Cash Generated/(Used) from Financing Activities:	**(5353.55)**	**(342.84)**

Standalone Statement of Cash Flows

for the year ended March 31, 2023

₹ in Crore

	Particulars	For the Year ended 31-Mar-23	For the Year ended 31-Mar-22
D	Net Change in Cash & cash equivalents (A+B+C)	(7.10)	7.18
E-1	Cash & cash equivalents as at end of the year	1.23	8.33
E-2	Cash & cash equivalents as at beginning of the year	8.33	1.15
	NET CHANGE IN CASH & CASH EQUIVALENTS (E 1- E 2)	**(7.10)**	**7.18**

Notes:

1. Cash Flow Statement is prepared using Indirect method as per Indian Accounting Standard -7 Cash Flow Statement.

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

₹ in Crore

Financial Liabilities	As at 31.03.2022	Cash Flow	Non-cash Changes			As at 31.03.2023
			Lease Liability	Interest Accrued but not due	Foreign exchange movement	
Borrowings (Including lease liabilities)	9238.33	(5093.77)	16.94	98.10	-	4259.60

Financial Liabilities	As at 31.03.2021	Cash Flow	Non-cash Changes			As at 31.03.2022
			Lease Liability	Interest Accrued but not due	Foreign exchange movement	
Borrowings (Including lease liabilities)	9166.96	1.41	4.00	65.96	-	9238.33

As per our attached Report of even date

For G.M.Kapadia & Co.
Chartered Accountants
(FRN: 104767W)

for and on behalf of Board of Directors

Satya Ranjan Dhall
Partner
Membership No. 214046

(Arvind Kumar)
Managing Director
DIN - 09224177

(Rohit Kumar Agrawala)
Director (Finance)
DIN - 10048961

(P.Shankar)
Company Secretary
ACS -7624

Place : Chennai
Date : 27-Apr-2023

Notes to Financial Statements

Note-1A Corporate Information and Significant Accounting Policies

Corporate Information

The standalone financial statements of "Chennai Petroleum Corporation Limited" ("the Company" or "CPCL") are for the year ended 31st March, 2023. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on Bombay Stock exchange and National Stock Exchange in India. The registered office of the Company is located at 536, Anna Salai, Teynampet, Chennai- 600018. (CIN – L40101TN1965GOI005389)

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

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

The standalone financial statements have been approved for issue in accordance with a resolution of the Board of directors on 27th April, 2023.

Significant Accounting Policies

1. Basis of Preparation

1.1. The financial statements have been prepared in accordance with the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules and other relevant provisions of the Act and Rules thereunder, as amended from time to time.

1.2. The standalone financial statements have been prepared on historical cost convention, accrual and going concern basis except where Ind AS requires a different accounting treatment like fair value / amortized cost / present value / Realizable value. These accounting policies have been applied consistently over all periods presented in these financial statements

1.3. The standalone financial statements are presented in Indian Rupees (INR) which is Company's presentation and functional currency and all values are rounded to the nearest Crore (up to two decimals) except when otherwise indicated.

2. Property, Plant and Equipment and Intangible Assets

2.1. Property, Plant and Equipment (PPE)

2.1.1. Property, Plant & Equipment (PPE) comprises of tangible assets and Capital Work in progress. PPE are stated at cost, less any accumulated depreciation and accumulated impairment losses, if any. (except freehold lands which are carried at historical cost). The cost of an item of PPE comprises its purchase price, construction cost, including applicable taxes (net of credits) after deducting any discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located. These costs are capitalized until the asset is ready for use and includes borrowing cost capitalized in accordance with the Company's accounting policy.

2.1.2. The cost of an item of PPE is recognized as an asset if, and only if:

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

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

In accordance with the above criteria, subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate.

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

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

2.1.5. The acquisition of some items of PPE although not, directly increasing the future economic benefits of any particular existing item of PPE, may be necessary for the Company to obtain the future economic benefits from its other assets. Such items of PPE, are recognized as assets.

2.1.6. On transition to Ind AS, the Company has elected to continue with the carrying value of all of its PPE

Notes to Financial Statements

recognised as at 1stApril 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the PPE.

2.2. Capital Work in Progress (CWIP)

A. Construction Period Expenses:

2.2.1. Revenue expenses exclusively attributable to projects incurred during construction period are capitalized. However, such expenses in respect of capital facilities being executed along with the production/operations simultaneously and where the expenses are not attributable exclusively are charged to revenue.

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

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

B. Capital Stores

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

2.3. Intangible Assets & Amortisation

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

2.3.2. Cost incurred on computer software/licenses purchased resulting in future economic benefits, other than specific software that are integral part of the related hardware, are capitalised as Intangible Asset and amortised over a period of three years beginning from the month in which such software / licenses are capitalised. However, where such computer software / license is under development or is not yet ready for use, accumulated cost incurred on such items are accounted as "Intangible Assets Under Development".

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

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

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.

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

2.3.7. Amortization is charged pro-rata on monthly basis on assets, from/upto the month of capitalization/ sale, disposal/ or earmarked for disposal.

2.4. Depreciation

2.4.1. Cost of PPE (net of residual value) excluding freehold land is depreciated on straight-line method as per the useful life prescribed in Schedule II to the Act, except in case of the following assets:

a) Useful life of 25 years for solar power plant considered based on technical assessment

b) In case of specific agreements e.g. enabling assets etc., useful life as per agreement or Schedule II, whichever is lower

Notes to Financial Statements

c) In case of immovable assets constructed on leasehold land, useful life as per Schedule-II to the Act or lease period of land (including renewable period/ likely renewable period), whichever is lower

d) In other cases like Spare Parts etc., useful life is considered based on the technical assessment (2-30 years).

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

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

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

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

2.5. Derecognition

2.5.1. PPE and Intangible Assets are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE or Intangible Asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

3. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.1. Leases as Lessee (Assets taken on lease)

The Company applies a single recognition and measurement approach for all leases, except for short- term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

3.1.1. Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, except for leases where the company has elected to use practical expedient not to separate non-lease payments from the calculation of the lease liability and ROU asset where the entire consideration is treated as lease component.

3.1.2. Right-of-use Assets

The Company recognises right-of-use (ROU) assets at the commencement date of the lease (i.e., the date

Notes to Financial Statements

the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of use assets are subject to impairment. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset as per 2.4 above.

3.1.3. Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a re-measurement of the lease liability with a corresponding adjustment to the ROU asset. Any gain or loss on modification is recognized in the Statement of Profit and Loss. However, the modifications that increase the scope of the lease by adding the right to use one or more underlying assets at a price commensurate with the stand-alone selling price are accounted for as a separate new lease. In case of lease modifications, discounting rates used for measurement of lease liability and ROU assets is also suitably adjusted.

3.1.4. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of Property, Plant and Equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

3.2. Leases as Lessor (assets given on lease)

3.2.1. When the company acts as lessor, it determines at the commencement of the lease whether it is a finance lease or an operating lease.

3.2.2. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern of the benefit derived from the asset given on lease.

3.2.3. All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Principal component of the lease receipts is adjusted against outstanding receivables and interest income is accounted by applying the interest rate implicit in the lease to the net investment. If an arrangement contains lease and non-lease components, the Company applies principles enunciated in Ind AS 115 "Revenue from Contracts with Customers ", to allocate the consideration in the contract.

3.2.4. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the short term lease exemption described above, then it classifies the sub-lease as an operating lease.

4. Impairment of Non-Financial Assets

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

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken

Notes to Financial Statements

into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 15 years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifteenth year. To estimate cash flow projections beyond periods covered by the most recent budgets / forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

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

5. Borrowing Costs

Borrowing cost consists of interest and other cost incurred in connection with the borrowing of funds. Borrowing costs that are attributable to the acquisition or construction of the qualifying asset are capitalized as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Capitalisation of borrowing costs is suspended when active development activity on the qualifying assets is interrupted other than on temporary basis and charged to the Statement of Profit and Loss during such extended periods. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which the same are incurred.

6. Foreign Currency Transactions

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

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

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

6.4. Non-monetary items denominated in foreign currency, (such as PPE, intangible assets, investments, capital / revenue advances other than expected to be settled in cash etc.) are recorded at the exchange rate prevailing on the date of the transaction, other than those measured at fair value.

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

7 Inventories

7.1. Raw Materials & Stock-in-Process

7.1.1. Raw materials including crude oil are valued at cost determined on weighted average basis and net realizable value, whichever is lower.

7.1.2. Stock in Process is valued at raw materials cost plus fifty percent conversion costs as applicable and net realizable value, whichever is lower.

7.1.3. Crude oil in Transit is valued at cost and net realizable value, whichever is lower.

7.1.4. Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

7.2. Finished Products and Stock-in-Trade

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

Notes to Financial Statements

7.2.2. Imported products in transit are valued at cost or net realisable value whichever is lower.

7.3. Stores and Spares

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

7.3.2. In case of declared surplus/obsolete stores and spares, provision is made for likely loss on sale/ disposal and charged to revenue. Further, provision is made to the extent of 97 per cent of the value of non-moving inventory of stores and spares (excluding maintenance, repair & operation items, pumps and compressors) which have not moved for six years and above. 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 and net realizable value.

8. Provisions, Contingent Liabilities & Contingent Assets

8.1. Provisions

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

8.1.2. When the Company expects some or all of a provision to be recovered from a third party, a receivable is recognised as a separate asset, but only when it is virtually certain and amount of the receivable can be measured reliably. The expense relating to a provision is presented in the Statement of Profit and Loss net of reimbursement, if any.

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

8.2. Contingent Liabilities and Contingent Assets

8.2.1. Show-cause notices issued by various Government Authorities are generally not considered as obligations.

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

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

a) provision is recognized in respect of present obligations where the outflow of resources is probable as per 8.1.1 above;

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

8.2.4. Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts and reviewed at each Balance Sheet date to reflect the current management estimate.

8.2.5. Estimated amount of contracts remaining to be executed towards capital expenditure are considered for disclosure.

8.2.6. A contingent asset is disclosed where an inflow of economic benefits is probable.

9. Revenue

Revenue from Contracts with Customers

9.1. The Company is in the business of Refining crude oil to produce and supply various petroleum products and it earns revenue primarily from sale of petroleum products.

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Notes to Financial Statements

The Company has generally concluded that it is the principal in its revenue arrangements, except a few agency services, because it typically controls the goods or services before transferring them to the customer.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of products, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer (if any).

9.2. Revenue from the sale of petroleum products, petrochemical products, Crude and gas are recognised at a point in time, generally upon delivery of the products.

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

However, Sales Tax/ Goods and Services Tax (GST) and Value Added Tax (VAT) is not received by the company on its own account. Rather, it is tax collected on value added to the product by the seller on behalf of the government. Accordingly, it is excluded from revenue.

9.4. Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Company provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. The volume rebates give rise to variable consideration

9.5. Interest income from financial assets is recognised using effective interest rate (EIR) method.

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

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

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

10. Excise Duty

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

11. Taxes on Income

11.1. Current Income Tax

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

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

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

Notes to Financial Statements

11.2. Deferred Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

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

12. Employee Benefits

12.1. Short Term Benefits

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

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

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

b) The Company operates defined benefit plans for Gratuity and Post Retirement Medical Benefits. The cost of providing such defined benefits is determined using the projected unit credit method of actuarial valuation made at the end of the year. Out of these plans, Gratuity and Post-Retirement Medical Benefits (PRMB) are administered through respective trusts.

c) Obligations on other long term employee benefits viz. leave encashment and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year. Out of these obligations, leave encashment obligations are funded through qualifying insurance policies made with insurance companies / corporation.

d) The Company also operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate Trust / corporate NPS.

12.3. Termination Benefits

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

12.4. Remeasurements

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which it occurs. Remeasurements are not reclassified to profit or loss in subsequent periods. Remeasurements in respect of other long-term benefits are recognised in the Statement of Profit and Loss.

Notes to Financial Statements

Past service cost is recognised in profit or loss on the earlier of:

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

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

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

13. Grants

13.1. Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

13.2. Grant relating to Assets (Capital Grants)

In case of grants relating to depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Deferred income which are recognized as “Other Operating Revenues” usually in the Statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

13.3. Grant related to Income (Revenue Grants)

Revenue grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises as expenses the related cost for which the grants are intended to compensate.

The Company has treated waiver of duty under EPCG Scheme as revenue grant as the condition of meeting the export obligations is a primary condition of availing the grant as per the EPCG Scheme. The above grant is set up by recording the assets at gross value and corresponding grant amount as deferred income. Such grant is recognized in “Other Operating Revenues” in proportion of export obligations actually fulfilled during the accounting period.

Revenue grants are generally recorded under “Other Operating Revenues” except some grants, which are netted off with the related expense.

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

14. Current Versus Non-Current Classification

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

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

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

All other assets are classified as non-current.

14.3. A liability is treated as current when:

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

All other liabilities are classified as non-current.

15 Non-Current Assets Held for Sale

15.1. The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that

Notes to Financial Statements

significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

15.2. For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset or disposal group to be highly probable when:

The appropriate level of management is committed to a plan to sell the asset (or disposal group),

An active programme to locate a buyer and complete the plan has been initiated (if applicable),

The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

15.3. Non-Current Assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less cost to sell. Assets and liabilities classified as held for sale are presented separately in the Balance Sheet.

PPE and Intangible Assets once classified as held for sale are not depreciated or amortised.

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. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

16.1. Financial Assets

Initial recognition and measurement

All Financial Assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the Financial Asset. However, trade receivables that do not contain a significant financing component are measured at transaction price Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Subsequent measurement

For the purpose of subsequent measurement, Financial Assets are classified in four categories:

- Financial Assets at amortised cost
- Debt Instruments at fair value through Other Comprehensive Income (FVTOCI)
- Equity Instruments at fair value through Other Comprehensive Income (FVTOCI)

Financial Assets and derivatives at fair value through profit or loss (FVTPL)

16.1.1. Financial Assets at amortised cost

A Financial Asset is measured at the amortised cost if both the following conditions are met:

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

and

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

After initial measurement, such Financial Assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. Apart from the same, any income or expense arising from remeasurement of financial

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assets measured at amortised cost, in accordance with Ind AS 109, is recognized in the Statement of Profit and Loss. This category generally applies to trade and other receivables

16.1.2. Debt Instrument at FVTOCI

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

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

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

Debt Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair Value movements are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the Equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI Debt Instrument is reported as interest income using the EIR method.

16.1.3. Equity Instrument

A. Equity Investments at FVTOCI (Other than Subsidiaries, Joint Ventures and Associates)

All equity investments in scope of Ind AS 109 are measured at fair value. The Company has made an irrevocable election to present subsequent changes in the fair value in Other Comprehensive Income. The classification is made on initial recognition/transition and is irrevocable.

There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investments.

B. Equity Investments in Subsidiaries, Joint Ventures and Associates

Investments in Subsidiaries, Joint Ventures and Associates are accounted for at cost in the financial statements and the same are tested for impairment in case of any indication of impairment.

Dividend income is recognized in the Statement of Profit and Loss when the Company's right to receive dividend is established.

16.1.4. Debt Instruments and Derivatives at FVTPL

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

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

Debt Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Interest income on such instruments has been presented under interest income

16.1.5. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at

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the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

16.1.6. Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial Assets that are Debt Instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial guarantee contracts which are not subsequently measured as at FVTPL

c) Lease Receivables under Ind AS 116

Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance, if any, on Trade Receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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.

General Approach

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-months ECL.

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense /income/ in the Statement of Profit and Loss. The Balance Sheet presentation for various financial instruments is described below:

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

16.2. Financial Liabilities

16.2.1. Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of liabilities subsequently measured at amortised cost, they are measured net of directly attributable transaction cost. In case of Financial Liabilities measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of financial liabilities are recognised immediately in the Statement of Profit and Loss.

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

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16.2.2. Subsequent measurement

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

A. Financial Liabilities at fair value through profit or loss

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through the Statement of Profit and Loss. Financial Liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss

B. Financial Liabilities at amortized cost

Financial Liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

16.2.3. Derecognition

A Financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

16.3. Embedded Derivatives

If the hybrid contract contains a host that is a Financial Asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

16.4. Offsetting of Financial Instruments

Financial Assets and financial Liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

16.5. Derivative Instrument Initial recognition / subsequent measurement

16.5.1. The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The accounting for subsequent changes in fair value of derivatives depends on the designation or non-designation of derivative as hedging instruments. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

16.5.2. Derivative that are designated as hedge instrument

The Company undertakes foreign exchange forward contracts for hedging foreign currency risk of recognized foreign currency loans and liabilities. The Company generally designates the whole forward contract as hedging instrument. These hedges are accounted for as cash flow hedges. These hedging instruments are as per the policies approved by the Board of Directors.

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At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that the hedge is actually have been highly effective throughout the financial reporting periods for which it was designated.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in Other Comprehensive Income and accumulated under the heading Cash Flow Hedge Reserve within Equity. The gain or loss relating to the ineffective potion is recognized immediately in the Statement of Profit and Loss and included in the Other Income or Other Expenses as Gain on Derivatives or Loss on Derivatives respectively.

Amounts previously recognized in OCI and accumulated in equity relating to effective portion are reclassified to Statement of Profit and Loss in the periods when the hedged item affects profit or loss, in the same line item as the recognized hedged item or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting.

16.5.3. Derivatives that are not designated as hedge instrument

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through the Statement of Profit and Loss and are included in the Other Income or Other Expenses as Gain on Derivatives or Loss on Derivatives respectively.

16.6. Commodity contracts

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

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

17. Fair Value Measurement

17.1. 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.

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 Company.

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 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.

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,

Notes to Financial Statements

based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

In case of Level 3 valuations, external valuers are also involved in some cases for valuation of assets and liabilities, such as unquoted financial assets, loans to related parties etc.,

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

18. Earnings Per Share

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in the years presented.

19. 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.

20. Cash Flow Statement

Cash flow statement are reported using the Indirect method, whereby net profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

III. New Standards / Amendments and other Changes Effective April 1, 2022

Ministry of Corporate Affairs notified amendments to the existing standards vide Notification G.S.R. 255(E) dated 23rd March 2022. These amendments do not have a material impact on the company.

IV. Standards Issued but not yet Effective

Ministry of Corporate Affairs notifies new standard or amendments to the existing standards. During the year, vide Notification G.S.R. 242(E) dated 31st March 2023, few modifications in existing standards has been notified which will be applicable from April 1, 2023.

Notes to Financial Statements

Note – 1B : Significant Accounting Judgements, Estimates and Assumptions

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. These include recognition and measurement of financial instruments, estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, estimated quantities of noble metals, measurement of employee benefits, actuarial assumptions, provisions etc.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

Judgements

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

Materiality

Ind AS requires assessment of materiality by the Company for accounting and disclosure of various transactions in the financial statements. Accordingly, the Company assesses materiality limits for various items for accounting and disclosures and follows on a consistent basis. Overall materiality is also assessed based on various financial parameters such as Gross Block of assets, Net Block of Assets, Total Assets, Revenue and Profit Before Tax.

Contingencies

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

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans / Other Long term employee benefits

The cost of the defined benefit plans and other long term employee benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. The management considers the interest rates of government securities based on expected settlement period of various plans.

Further details about various employee benefit obligations are given in Note 32.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model based on level-2 and level-3 inputs. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as price

Notes to Financial Statements

estimates, volume estimates, rate estimates etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also refer Note-35 for further disclosures of estimates and assumptions.

Impairment of non-financial assets

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

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

Refer Note 44.2

Notes to Financial Statements

Note – 2 : Property, Plant and Equipment

Current Year:

₹ in Crore

	Particulars	Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant and Equipment	Office Equipments	Transport Equipments	Furniture and Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	ROU assets	Total
		Note: A							Note: C			Note: B
GROSS BLOCK	Gross Block as at 1st April 2022	49.08	5.92	201.30	9265.36	45.82	10.56	6.99	-	20.31	29.24	**9634.58**
	Additions during the Year (Note: E)	0.17	-	5.22	1208.43	16.99	1.56	2.16	-	-	15.29	**1249.82**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications/ Revaluation	-	-	(6.38)	(55.95)	(4.12)	(0.78)	(0.44)	-	(0.01)	-	**(67.68)**
	Gross Block as at 31st March 2023	**49.25**	**5.92**	**200.14**	**10417.84**	**58.69**	**11.34**	**8.71**	**-**	**20.30**	**44.53**	**10816.72**
DEPRECIATION, AMORTISATION AND IMPAIRMENT	Depreciation and Amortisation as at 1st April 2022	-	0.49	42.71	2,508.36	28.27	4.53	3.47	-	7.08	15.75	**2610.66**
	Depreciation and Amortisation during the Year:	-	0.07	6.02	544.88	9.77	1.02	0.64	-	0.90	7.63	**570.93**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications/ Revaluation	-	-	(1.02)	(49.30)	(3.40)	(0.67)	(0.22)	-	-	-	**(54.61)**
	Total Depreciation and Amortisation upto 31st March 2023	**-**	**0.56**	**47.71**	**3003.94**	**34.64**	**4.88**	**3.89**	**-**	**7.98**	**23.38**	**3126.98**
	Total Impairment Loss as at 1st April 2022	-	-	16.16	83.32	-	-	-	-	0.27	-	**99.75**
	Impairment Loss during the Year (Note: D)	-	-	(5.34)	(0.75)	-	-	-	-	-	-	**(6.09)**
	Impairment loss reversed during the Year	-	-	-	-	-	-	-	-	-	-	**-**
	Total Impairment Loss upto 31st March 2023	**-**	**-**	**10.82**	**82.57**	**-**	**-**	**-**	**-**	**0.27**	**-**	**93.66**
NET BLOCK	**AS AT 31st March 2023**	**49.25**	**5.36**	**141.61**	**7331.33**	**24.05**	**6.46**	**4.82**	**-**	**12.05**	**21.15**	**7596.08**
	AS AT 31st March 2022	49.08	5.43	142.43	6673.68	17.55	6.03	3.52	-	12.96	13.49	6924.17

Note – 2 : Property, Plant and Equipment (Contd..)

Previous Year:

₹ in Crore

	Particulars	Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant and Equipment	Office Equipments	Transport Equipments	Furniture and Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	ROU assets	Total
GROSS BLOCK	Gross Block as at 1st April 2021	49.08	5.92	204.52	9040.55	43.30	10.43	7.11	-	20.31	26.63	**9407.85**
	Additions during the Year (Note : E)	-	-	0.14	349.21	7.16	0.13	0.84	-	-	2.61	**360.09**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications/ Revaluation	-	-	(3.36)	(124.40)	(4.64)	-	(0.96)	-	-	-	**(133.36)**
	Gross Block as at 31st March 2022	**49.08**	**5.92**	**201.30**	**9265.36**	**45.82**	**10.56**	**6.99**	**-**	**20.31**	**29.24**	9634.58
DEPRECIATION, AMORTISATION AND IMPAIRMENT	Depreciation and Amortisation as at 1st April 2021	-	0.42	37.19	2,103.89	24.73	3.58	3.28	-	6.17	9.48	**2188.74**
	Depreciation and Amortisation during the Year:	-	0.07	6.03	478.99	6.91	0.95	0.62	-	0.91	6.27	**500.75**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications/ Revaluation	-	-	(0.51)	(74.52)	(3.37)	-	(0.43)	-	-	-	**(78.83)**
	Total Depreciation and Amortisation upto 31st March 2022	**-**	**0.49**	**42.71**	**2508.36**	**28.27**	**4.53**	**3.47**	**-**	**7.08**	**15.75**	2610.66
	Total Impairment Loss as at 1st April 2021	-	-	19.01	103.27	-	-	-	-	0.27	-	**122.55**
	Impairment Loss during the Year (Note: D)	-	-	(2.85)	(19.95)	-	-	-	-	-	-	**(22.80)**
	Impairment loss reversed during the Year	-	-	-	-	-	-	-	-	-	-	**-**
	Total Impairment Loss upto 31st March 2022	**-**	**-**	**16.16**	**83.32**	**-**	**-**	**-**	**-**	**0.27**	**-**	99.75
NET BLOCK	**AS AT 31st March 2022**	**49.08**	**5.43**	**142.43**	**6673.68**	**17.55**	**6.03**	**3.52**	**-**	**12.96**	**13.49**	6924.17
	AS AT 31st March 2021	49.08	5.50	148.32	6833.39	18.57	6.85	3.83	-	13.87	17.15	7096.56

Notes to Financial Statements

Note – 2 : Property, Plant and Equipment (Contd..)

Notes :

A. Gross block of Land includes ₹ 0.18 Crore deposited towards 50.93 acres of Land for which assignment deed is yet to be received from Govt. of TamilNadu.

B. The cost of assets includes EPCG benefit (net of GST ITC), net of VAT CREDIT/CENVAT/GST ITC wherever applicable

C. Represents 5/24 share of total cost of the Railway Siding jointly owned by the Company along with Madras Fertilizers Limited, Madras Petrochem Limited, Steel Authority of India Limited and Rashtriya Ispat Nigam Limited. Net block of Railway Sidings - ₹ 0.003 Crore (2022 : ₹ 0.003 Crore)

D. Pertains to Cauvery Basin Refinery (refer Note 44.2)

E. Additions to Gross Block includes :

₹ in Crore

Asset Particulars	Borrowing Cost	
	31-Mar-23	31-Mar-22
Plant and Equipment	75.92	1.04
Total	**75.92**	**1.04**

Details of assets given on lease included in the above:

₹ in Crore

Asset Particulars	Gross Block as at 1st April 2022	Accumulated Depreciation & Amortisation	Accumulated Impairment loss	W.D.V as at March 31, 2023	W.D.V as at March 31, 2022
Land	5.32	-	-	5.32	5.32
Buildings	0.40	0.06	0.17	0.17	0.18
Plant and Equipment	9.36	2.81	-	6.55	2.91
Total	**15.08**	**2.87**	**0.17**	**12.04**	**8.41**

Note – 2.1 : Capital Work-In-Progress

₹ in Crore

Sl. No	Particulars	Note	31-Mar-23		31-Mar-22
1	Construction Work in Progress - Property, Plant & Equipment				
	(Including unallocated capital expenditure, materials at site)				
	Balance as at beginning of the year		1052.61		1082.75
	Add: Additions during the year		362.91		363.25
	Less: Allocated / Adjusted during the year		1006.82		139.57
	Less: Transfer to disposal group held for transfer	**A**	130.48		253.82
			278.22		1052.61
	Less: Provision for Capital Losses		-		1.51
				278.22	1051.10
2	Capital stores balance as at beginning of the year		12.67		33.12
	Add: Additions during the year		35.62		18.73
	Less: Allocated / Adjusted during the year		34.10		39.18
			14.19		12.67
	Less: Provision for Capital Losses		-		3.30
	Capital stores			**14.19**	9.37

Notes to Financial Statements

Note – 2.1 : Capital Work-In-Progress (Contd..)

₹ in Crore

Sl. No	Particulars	Note	31-Mar-23	31-Mar-23	31-Mar-22
3	Capital Goods in Transit			**0.01**	0.21
4	Construction Period Expenses pending allocation:				
	Balance as at beginning of the year		148.87		161.07
	Net expenditure during the year (Note -"2.2")		98.62		107.39
			247.49		268.46
	Less: Allocated / Adjusted during the year		132.86		14.56
			114.63		253.90
	Less: Transfer to disposal group held for transfer	A	75.62		105.03
				39.01	148.87
	TOTAL	**B**		**331.43**	**1209.55**

Notes:

A Refer Note - 44.1

B The cost of assets includes EPCG benefit (net of GST ITC), net of VAT CREDIT/CENVAT/GST ITC wherever applicable

Note – 2.2 : Construction Period Expenses(Net) During the Year

₹ in Crore

	Particulars	31-Mar-23	31-Mar-22
1	Employee Benefit expenses	36.27	38.84
2	Power & Fuel	0.67	1.10
3	Finance Cost	48.01	51.40
4	Others (incl. CER expenses)	13.67	16.05
	Net Expenditure during the year	**98.62**	**107.39**
	Specific borrowings eligible for capitalisation (Rate in %)	5.78% to 6.43%	5.44% to 6.43%

Current Year :

₹ in Crore

Capital Work-In-Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	98.92	25.57	37.42	169.52	331.43

Previous Year :

₹ in Crore

Capital Work-In-Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	161.45	291.62	506.28	250.20	1209.55

Note: No Project activity is under suspension

Notes to Financial Statements

Note – 2.2 : Construction Period Expenses(Net) During the Year (Contd..)

Capital-work-in progress, whose completion is overdue compared to its original plan

Current Year :

CWIP	To be completed in			
	Less than1 year	1-2 years	2-3 years	More than 3 years
RESID - COKE HANDLING SYSTEM	274.82	-	-	-
Others	20.63	-	-	-
Total	**295.45**	**-**	**-**	**-**

Previous Year :

CWIP	To be completed in			
	Less than1 year	1-2 years	2-3 years	More than 3 years
BS VI PROJECTS	921.45	-	-	-
RESID - COKE HANDLING SYSTEM	223.41	-	-	-
COOLING TOWER	42.90	-	-	-
Others	10.58	-	-	-
Total	**1198.34**	**-**	**-**	**-**

Note: No cost overdue in above projects

Note – 3 : Intangible Assets

(1) Intangible assets with definite useful life

Current Year:

₹ in Crore

	Particulars	Computer Software	Technical Know-How, Royalty and Licenses	Total
GROSS BLOCK	Gross Block as at 1st April 2022	2.55	52.87	55.42
	Additions during the Year	1.45	-	1.45
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Gross Block as at 31st March 2023	**4.00**	**52.87**	**56.87**
AMORTISATION AND IMPAIRMENT (A)	Amortisation as at 1st April 2022	2.04	10.92	12.96
	Amortisation during the Year	0.37	3.07	3.44
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Total and Amortisation upto 31st March 2023	**2.41**	**13.99**	**16.40**
	Total Impairment Loss as at 1st April 2022	-	-	-
	Impairment Loss during the Year	-	-	-
	Impairment loss reversed during the Year	-	-	-
	Total Impairment Loss upto 31st March 2023	-	-	-
NET BLOCK	**AS AT 31st March 2023**	**1.59**	**38.88**	**40.47**
	AS AT 31st March 2022	0.51	41.95	42.46

Notes to Financial Statements

Note – 3 : Intangible Assets (Contd..)

Previous Year:

₹ in Crore

	Particulars	Computer Software	Technical Know-How, Royalty and Licenses	Total
GROSS BLOCK	Gross Block as at 1st April 2021	2.27	52.87	55.14
	Additions during the Year	0.31	-	0.31
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	(0.03)	-	(0.03)
	Gross Block as at 31st March 2022	**2.55**	**52.87**	**55.42**
AMORTISATION AND IMPAIRMENT (A)	Amortisation as at 1st April 2021	1.66	7.85	9.51
	Amortisation during the Year	0.39	3.07	3.46
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	(0.01)	-	(0.01)
	Total and Amortisation upto 31st March 2022	**2.04**	**10.92**	**12.96**
	Total Impairment Loss as at 1st April 2021	0.02	-	0.02
	Impairment Loss during the Year	-	-	-
	Impairment loss reversed during the Year	(0.02)	-	(0.02)
	Total Impairment Loss upto 31st March 2022	**-**	**-**	**-**
NET BLOCK	**AS AT 31st March 2022**	**0.51**	**41.95**	**42.46**
	AS AT 31st March 2021	0.59	45.02	45.61

(2) Intangible assets with indefinite useful life

Current year:

₹ in Crore

	Particulars	Right of Way
GROSS BLOCK	Gross Block as at 1st April 2022	0.27
	Additions during the Year	-
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-
	Gross Block as at 31st March 2023	**0.27**
AMORTISATION AND IMPAIRMENT (A)	Total Impairment Loss as at 1st April 2022	0.27
	Impairment Loss during the Year	-
	Impairment loss reversed during the Year	-
	Total Impairment Loss upto 31st March 2023	**0.27**
NET BLOCK	**AS AT 31st March 2023**	**-**
	AS AT 31st March 2022	-

Previous year:

₹ in Crore

	Particulars	Right of Way
GROSS BLOCK	Gross Block as at 1st April 2021	0.27
	Additions during the Year	-
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-
	Gross Block as at 31st March 2022	**0.27**
AMORTISATION AND IMPAIRMENT (A)	Total Impairment Loss as at 1st April 2021	0.27
	Impairment Loss during the Year	-
	Impairment loss reversed during the Year	-
	Total Impairment Loss upto 31st March 2022	**0.27**
NET BLOCK	**AS AT 31st March 2022**	**-**
	AS AT 31st March 2021	-

Notes to Financial Statements

Note – 3 : Intangible Assets (Contd..)

Note :

(A) Pertains to Cauvery Basin Refinery (refer Note 44.2)

Range of remaining period of Amortisation as on March 31, 2023 is as below:

Particulars	0 to 2 years	3 to 5 years	Above 5 years	Total
Computer Software	0.20	1.37	-	1.57
Techncial know-how, Royalty and Licenses	0.01	-	38.89	38.90
Total	**0.21**	**1.37**	**38.89**	**40.47**

Range of remaining period of Amortisation as on March 31, 2022 is as below:

Particulars	0 to 2 years	3 to 5 years	Above 5 years	Total
Computer Software	0.22	0.28	-	0.50
Techncial know-how, Royalty and Licenses	0.49	-	41.47	41.96
Total	**0.71**	**0.28**	**41.47**	**42.46**

Note – 3.1 : Intangible Assets under Development

₹ in Crore

Particulars		31-Mar-23	31-Mar-22
Work in Progress - Intangible Asset:			
Balance as at beginning of the year		-	241.80
Add: Net expenditure during the year		23.47	17.56
Less: Transfer to Asset held for transfer	A	23.47	259.36
		-	-
TOTAL		-	-

Note :

A. Refer Note 44.1

Current Year :

₹ in Crore

Intangible Assets Under Development	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	NIL				

Previous Year :

₹ in Crore

Intangible Assets Under Development	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	NIL				

Note:

No Project activity is under suspension

There has been no cost / Time over run in respect of the above

Notes to Financial Statements

Note – 4 : Equity Investment in Joint Ventures

₹ in Crore

Sl. No	Particulars	Face Value per share (₹)	Non-current 31-Mar-23	Non-current 31-Mar-22
I	Investments in equity shares			
1	**Unquoted:**			
a)	**Investment in Joint Venture Companies:**			
	i) Indian Additives Ltd.	100	**11.83**	11.83
	1183401 (2022: 1183401) Equity Shares fully paid			
	ii) National Aromatics and Petrochemical Corporation Limited	10	**0.03**	0.03
	25000 (2022: 25000) Equity Shares fully paid			
	Less: Impairment in value of investment	**A**	**0.03**	0.03
			-	-
	iii) Cauvery Basin Refinery and Petrochemicals Ltd (CBRPL)	10	**0.01**	-
	12500 (2022: Nil) Equity Share application money pending allotment	**B**		
	TOTAL		**11.84**	**11.83**
	Aggregate value of unquoted investments		**11.87**	11.86
	Aggregate amount of impairment in value of investments		**0.03**	0.03

Note – 4.1 : Other Investments

₹ in Crore

Sl. No	Particulars	Face Value per share (₹)	Non-current 31-Mar-23	Non-current 31-Mar-22
I	Other Investments:			
	Investments at fair value through OCI (fully paid):			
a)	**Biotech Consortium India Ltd**	10	0.10	0.10
	100000 (2022: 100000) Equity Shares fully paid			
b)	**MRL Industrial Cooperative Service Society Ltd**	10	**0.01**	0.01
	9000 (2022: 9000) Shares fully paid			
	TOTAL	**C**	**0.11**	**0.11**
	Aggregate value of unquoted investments		**0.11**	0.11
	Aggregate amount of impairment in value of investments		**-**	-

Note :

A National Aromatics and Petrochemical Corporation Limited is not operational.

B Refer Note 44.1

C Fair Value approximates carrying value

Notes to Financial Statements

Note – 5 : Loans

₹ in Crore

Sl. No	Particulars	Note	Non-current		Current	
			31-Mar-23	31-Mar-22	**31-Mar-23**	31-Mar-22
1	**Loans Receivables:**					
	To Related Parties					
	i) Considered Good -Secured	**A.1**	0.25	0.29	0.04	0.04
	ii) Considered Good -Unsecured	**A.2**	0.14	0.08	0.11	0.03
			0.39	0.37	**0.15**	0.07
	To Others					
	i) Considered Good -Secured		81.88	54.18	6.66	5.49
	ii) Considered Good -Unsecured		9.28	6.03	6.05	5.41
			91.16	60.21	**12.71**	10.90
	Sub Total		**91.55**	60.58	**12.86**	10.97
	TOTAL		**91.55**	**60.58**	**12.86**	**10.97**
	Notes :					
A.1	**Includes:**					
1	Due from Directors		**0.25**	0.29	**0.04**	0.03
2	Due from Officers		-	-	-	0.01
A.2	**Includes:**					
1	Due from Directors		**0.13**	0.05	**0.09**	0.01
2	Due from Officers		**0.01**	0.03	**0.02**	0.02

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

₹ in Crore

Sl. No	Particulars	Amount as on		Maximum Amount outstanding during the year ended	
		31-Mar-23	31-Mar-22	**31-Mar-23**	31-Mar-22
I.	Loans and Advances in the nature of loans:				
A)	To Parent Company	-	-	-	-
B)	To Associates /Joint Venture	-	-	-	-
C)	To Firms/Companies in which directors are interested	-	-	-	-

Current Year :

Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	-	-
Directors	0.51	0.5%
KMPs	0.03	0.0%
Related Parties	-	-

Previous Year :

Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	-	-
Directors	0.38	0.5%
KMPs	0.06	0.1%
Related Parties	-	-

Notes to Financial Statements

Note – 6 : Other Financial Assets

₹ in Crore

Sl. No	Particulars	Note	Non-current 31-Mar-23	Non-current 31-Mar-22	Current 31-Mar-23	Current 31-Mar-22
1	**Security Deposits**					
	To Others					
	i) Unsecured, Considered Good		**1.00**	1.45	**16.79**	12.46
2	**Claims Recoverable :**					
	a) From Related Parties					
	i) Unsecured, Considered Good	A	-	-	0.29	-
	ii) Unsecured, Considered Doubtful		-	-	22.66	22.66
			-	-	**22.95**	22.66
	Less : Provision for Doubtful Claims				22.66	22.66
	Sub Total		-	-	**0.29**	-
	b) Others					
	i) Unsecured, Considered Good		-	-	16.87	17.30
	ii) Unsecured, Considered Doubtful		-	-	6.03	5.89
			-	-	22.90	23.19
	Less : Provision for Doubtful Claims		-	-	6.03	5.89
	Sub Total		-	-	**16.87**	**17.30**
3	**Other Financial Assets**	B	-	-	**51.21**	46.34
	TOTAL		**1.00**	**1.45**	**85.16**	**76.10**

A Pertains to Indian Oil Corporation Ltd., the holding company

B Includes ₹ 9.59 Cr (2022: ₹ 7.58 Crore) towards net plan assets in respect of Leave enchashment. The Liability of ₹ 127.20 cr is netted off against associated plan assets of ₹ 136.79 cr, which was hitherto accounted on gross basis as Provision for employee benefits (2022: ₹ 120.48 Cr) and Deposit for Leave Encashment Funds (₹ 128.06 crore).

Previous year figures have been grossed up to the extent of ₹ 5.38 Cr which has now been shown under Note 16 - Liability to Trusts and Other funds.

Note – 7 : Income Tax Assets/ Liabilities (NET)

₹ in Crore

Particulars	Non - Current 31-Mar-23		Non - Current 31-Mar-22	Current 31-Mar-23		Current 31-Mar-22
Income Tax Asset / (Liability) - Net						
Advance payments for Income Tax	1105.97		412.22	-		-
Less: Provision for Income Tax	1095.71		340.77	-		-
Income Tax Asset / (Liability) - Net		**10.26**	71.45		-	-
TOTAL		**10.26**	**71.45**		**-**	**-**

(I) Reconciliation between the average effective tax rate and the applicable tax rate is as below:

Particulars	Note	31-Mar-23	31-Mar-22
Accounting profit			
Tax at the applicable tax rate of 25.17% (31.3.2022: 25.17%)		**25.17%**	**25.17%**
Tax effect of income that are not taxable in determining taxable profit:		0.06%	0.08%
Tax effect of expenses that are not deductible in determining taxable profit:		0.17%	0.46%
Tax expense /income related to prior years :		(0.31%)	2.03%
Tax effect on recognition of previously unrecognised allowances / disallowances :		1.42%	(1.03%)
Tax expense		**26.51%**	**26.71%**

Notes to Financial Statements

Note – 7 : Income Tax Assets/ Liabilities (NET) (Contd..)

(II) In compliance of Ind As 12 on "Income Taxes", the item wise details of deferred tax liability (net) are as under:

₹ in Crore

	As at 31-Mar-21	Provided during the Year 2021-22	Provided during the Year in OCI 2021-22	As at 31-Mar-22	Provided during the Year 2022-23	Provided during the Year in OCI 2022-23	As at 31-Mar-23
Deferred tax liability:							
Related to Property,Plant & Equipment (Depreciation)	759.37	35.05	-	794.42	44.52	-	838.94
43B Disallowances , Gratuity etc.	(11.71)	10.39	7.61	6.29	3.43	-	9.72
Total deferred tax liability (A)	**747.66**	**45.44**	**7.61**	**800.71**	**47.95**	**-**	**848.66**
Deferred tax assets:							
Carry forward Business Loss/Unabsorbed Depreciation	634.06	(475.20)	-	158.86	(158.86)	-	-
Provision on Inventories, Trade Receivables, Loans and advances, CWIP, Investments etc.	10.08	68.68	-	78.76	0.51	-	79.27
43B Disallowances , Gratuity etc.	-	-	-	-		4.82	4.82
Total deferred tax assets (B)	**644.14**	**(406.52)**	**-**	**237.62**	**(158.35)**	**4.82**	**84.09**
Deferred Tax Liability (Net) (A - B)	**103.52**	**451.96**	**7.61**	**563.09**	**206.31**	**(4.82)**	**764.58**

The recognition of deferred tax assets / liability is based on the "Asset and liability method", determined on the basis of difference between the financial statement and tax bases of the assets and liabilities, by using the enacted tax rates applicable to the company.

The deferred taxes are recognised to the extent, they are more likely than not to be realised, based on the best estimates as at the balance sheet date. In making such estimates, all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income and pricing assumptions based on the past trend are considered. Such estimates are subject to significant fluctuations in earnings and timing of such earnings.

Note – 8 : Other Assets

₹ in Crore

Sl. No	Particulars	Note	Non-current		Current	
			31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
1	**Advance for Capital Expenditure**					
	a) To Related Parties					
	i) Unsecured, Considered Good		-	-	-	-
	b) To Others					
	i) Secured, Considered Good		-	-		
	i) Unsecured, Considered Good		22.21	0.75	-	-
	Less: Transfer to Asset held for transfer	A	20.08	0.24		-
			2.13	0.51	-	-
2	**Advances**					
	a) To Others					
	i) Unsecured, Considered Good		-	-	**62.14**	44.78
3	**Claims Recoverable :**					
	From Custom, Excise, Sales tax, Income Tax dept & Others					
	i) Unsecured, Considered Good		-	-	**315.06**	279.52
4	**GST-ITC recoverable**		-	-	**21.44**	11.93

Notes to Financial Statements

Note – 8 : Other Assets (Contd..)

₹ in Crore

Sl. No	Particulars	Note	Non-current		Current	
			31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
5	**Balance with Customs, Port Trust and Excise Authorities:**					
	i) Unsecured, Considered Good		-	-	**0.01**	0.53
6	**Gold / Other Precious Metals**		-	-	**19.67**	19.67
7	**Deferred Expenses**		**31.20**	37.85	**3.01**	3.29
8	**Other Assets**	B	**57.80**	44.37	-	17.46
	TOTAL		**91.13**	**82.73**	**421.33**	**377.18**

Note :

A Refer Note 44.1

B Non current asset pertains to land given on lease related to Indian Oil Corporation Ltd., the holding company

Note – 9 : Inventories

₹ in Crore

Sl. No	Particulars	31-Mar-23		31-Mar-22
1	**In Hand :**			
	a. Stores, Spares etc.	346.79		324.43
	Less : Provision for Losses	43.10		42.83
			303.69	281.60
	b. Raw Materials		**2499.24**	3373.29
	c. Finished Products		**1681.69**	2456.30
	d. Stock in Process		**802.24**	1006.28
			5286.86	7117.47
2	**In Transit :**			
	a. Stores & Spares etc.		1.45	8.54
	b Raw Materials		**685.28**	406.61
			686.73	**415.15**
	TOTAL		**5973.59**	**7532.62**
	Amount of write down of inventories to NRV and recognised as expense		17.15	-

Valuation of Inventories are done as per sl. no.7 of Significant accounting policies (Note-1A).

Note – 10 : Trade Receivables

₹ in Crore

Particulars	Note	31-Mar-23		31-Mar-22
a) From Related Parties				
i) Considered Good - Unsecured	A	150.05		179.08
b) From Others				
i) Considered Good -Unsecured		148.62		73.24
			298.67	252.32
TOTAL	B		**298.67**	**252.32**

Notes :

A Includes receivables from Indian Oil Corporation Ltd., the holding company ₹ 150.05 Crore (2022: ₹ 178.72 Crore) and receivables from Indian Additives Limited, Joint Venture Company ₹ Nil Crore (2022: ₹ 0.36 Crore).

Notes to Financial Statements

Note – 10 : Trade Receivables (Contd..)

B **Offsetting Financial Assets and Financial Liabilties:**

The following table presents the recognised financial instruments that are offset as at 31st March 2023 and 31st March 2022

₹ in Crore

Particulars	Effects of offsetting on the balance sheet		
	Gross Amount	Gross Amounts set off in the balance sheet	Net Amounts presented in the balance sheet
31-03-2023			
Financial Assets			
Trade receivables	2713.56	2414.89	298.67
Financial Liabilities			
Trade Payables	5422.00	2414.89	3007.11
31-03-2022			
Financial Assets			
Trade receivables	3242.96	2990.64	252.32
Financial Liabilities			
Trade Payables	6230.70	2990.64	3240.06

Offsetting Arrangements

The Trade receivables and payables to the extent being settled on net basis with Indian Oil Corporation Limited have been offset.

Trade receivables - Ageing

Current Year :

₹ in Crore

Particulars	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	263.13	35.54	-	-	-	298.67

Previous Year :

₹ in Crore

Particulars	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	249.60	-	2.72	-	-	252.32

Note – 11 : Cash and Cash Equivalents

₹ in Crore

Sl. No	Particulars	31-Mar-23	31-Mar-22
1	**Bank Balances with Scheduled Banks :**		
	Current Account	**1.23**	8.33
	TOTAL	**1.23**	**8.33**

Note – 12 : Other Bank Balances

₹ in Crore

Sl. No	Particulars	Note	31-Mar-23	31-Mar-22
1	**Earmarked Balances**	**A**	7.41	3.67
	TOTAL		**7.41**	**3.67**

Note :

A) Pertains to Unpaid dividend (Refer note 16 - Sl.No.5)

Notes to Financial Statements

Note – 13 : Equity Share Capital

₹ in Crore

Particulars	Note	31-Mar-23	31-Mar-22
Authorized:			
Equity:			
40,00,00,000 (2022: 40,00,00,000) Equity Shares of ₹ 10 each		400.00	400.00
Preference:			
100,00,00,000 (2022:100,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each		1000.00	1000.00
		1400.00	**1400.00**
Issued :			
Equity:			
14,89,11,400 (2022: 14,89,11,400) Equity Shares of ₹ 10 each	(i)	148.91	148.91
Preference:			
50,00,00,000 (2022: 50,00,00,000;) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each	(ii)	500.00	500.00
		648.91	648.91
Subscribed, Called-up and fully Paid-up :			
14,89,11,400 (2022: 14,89,11,400) Equity shares of ₹10 each	(i)	**148.91**	148.91
Total Paid up Equity share Capital		**148.91**	**148.91**
TOTAL		**148.91**	**148.91**

Notes :

(i) (A) As per the Formation Agreement entered into between the promoters, an offer is to be made to the Naftiran Intertrade Company Limited (NICO), an affiliate of National Iranian Oil Company (NIOC) in any issue of the Capital in proportion to the shares held by them at the time of such issue to enable them to maintain their shareholding at the existing percentage.

(B) The Shareholders of the Company at the General meeting held on 24th August 2018 has accorded approval for

a) Cancellation of unsubscribed equity share capital of ₹ 20.87 Crore consisting of 2,08,68,900 equity shares of ₹ 10/- each, comprising of partial subscription to Rights Issue made by the company in 1984, by the Government of India and non-subscription by Amoco India Inc., to the Rights Issue made by the company in 1984;

b) Cancellation of 2,19,700 forfeited equity shares of ₹ 10/- each totaling ₹ 0.22 Crore (1,87,900 equity shares forfeited on 26.09.2003 and 31,800 equity shares forfeited on 26.10.2006)

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

Preference shares to the extent of ₹ 500 crore, out of the total outstanding amount of ₹ 1000 crore were redeemed on 06.06.2018. Accordingly the outstanding amount as at 31.03.2023 is ₹ 500 crore.

Preference Shares classified as financial liability (long term borrowing) as per Ind AS 32 - Refer note - 15(D)

A. Reconciliation of No. of Shares

	31-Mar-23		31-Mar-22	
	Equity Shares	Preference Shares	Equity Shares	Preference Shares
Opening Balance	14,89,11,400	50,00,00,000	14,89,11,400	50,00,00,000
Shares Issued	-	-	-	-
Shares bought back / Redeemed	-	-	-	-
Closing Balance	**14,89,11,400**	**50,00,00,000**	**14,89,11,400**	**50,00,00,000**

Notes to Financial Statements

Note – 13 : Equity Share Capital (Contd..)

B. Rights, preferences and restrictions attached to Equity shares

Equity Shares: The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

C. Shares held by Holding Company

₹ in Crore

	31-Mar-23	31-Mar-22
7,72,65,200 Equity Shares of ₹10 each (51.89%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.	77.27	77.27

D. Details of shareholders holdings more than 5% shares

Equity Shares

Name of Shareholder	31-Mar-23		31-Mar-22		% change during the year
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding	
Indian Oil Corporation Limited	**77265200**	**51.89**	77265200	51.89	NIL
Naftiran Intertrade Company Limited	**22932900**	**15.40**	22932900	15.40	

E. Details of shares held by promotors

Equity Shares

Name of Shareholder	31-Mar-23		31-Mar-22		% change during the year
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding	
Indian Oil Corporation Limited	**77265200**	**51.89**	77265200	51.89	NIL
Naftiran Intertrade Company Limited	**22932900**	**15.40**	22932900	15.40	

Note – 14 : Other Equity

₹ in Crore

Sl. No	Particulars	Note	31-Mar-23	31-Mar-22
1	**Retained Earnings**			
a)	**General Reserve :**			
	As per last Account		3557.47	3534.23
	Add: Remeasurement of Defined Benefit Plans		(13.30)	23.24
	Less: Dividend Paid		(29.78)	-
	Add: Transferred from Profit and Loss Account		950.47	-
			4464.86	3557.47
b)	**Surplus (Balance in Statement of Profit and Loss):**			
	Balance Brought Forward from Last Year's Account		(1866.28)	(3108.70)
	Add: Profit / (Loss) for the Year		3533.81	1342.42
	Less: APPROPRIATIONS:			
	Insurance Reserve Account		15.00	-
	Capital Redemption Account		300.00	100.00
	General Reserve		950.47	-
	Balance carried forward to next year's account		402.06	(1866.28)
			4866.92	1691.19

Notes to Financial Statements

Note – 14 : Other Equity (Contd..)

₹ in Crore

Sl. No	Particulars	Note	31-Mar-23		31-Mar-22
2	**Other Reserves**				
a)	Capital Redemption Reserve :	A			
	As per last Account		700.00		600.00
	Add: Transferred from Profit and Loss Account		300.00		100.00
				1000.00	700.00
b)	**Insurance Reserve :**	B			
	As per last Account		-		-
	Add: Transferred from Profit and Loss Account		15.00		-
				15.00	-
c)	**Securities Premium:**	C			
	As per last Account			**250.04**	250.04
d)	**Capital Reserve**	D			
	As per last Account			**0.09**	0.09
	TOTAL			**6132.05**	**2641.32**

Note :

Retained Earnings

The retained earnings comprises of general reserve and surplus which is used from time to time to transfer profits by appropriations. Retained earnings is free reserve of the Company and is used for the purposes like issuing bonus shares, buy back of shares and other purposes (like declaring Dividend etc.) as per the approval of Board of Directors. It includes the remeasurement of defined benefit plan as per actuarial valuations which will not be re-classified to statement of profit and loss in subsequent periods.

Other Reserves

Reserves created in compliance with the Provision of the Companies Act, the utilisation of which is restricted to the purposes mandated therein:

A Capital Redemption Reserve Account : As per Companies Act 2013, capital redemption reserve is created to redeem preference shares. Utilisation of this reserve is governed by the provisions of the Companies Act 2013.

B Insurance Reserve : Insurance Reserve is created by the company to Offset risk of loss of assets not insured with external insurance agencies. The reserve is utilised to Offset actual losses by way of net appropriation in case any uninsured loss is incurred

C Securities Premium : Premium on shares issued by the company appropriated under this reserve.

D Capital Reserve: Capital Reserve was created through forfeiture of shares and shall be utilised as per the provisions of the Companies Act 2013.

Notes to Financial Statements

Note – 15 : Long-Term Borrowings

(At Amortised Cost)

₹ in Crore

Sl. No	Particulars	Note	Non-current		Current Maturities	
			31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
I.	SECURED BORROWINGS					
1	Term Loans:					
	From other parties					
	i) Loans from OIDB	A	74.19	306.55	50.00	137.50
	Total (Term Loans)		74.19	306.55	50.00	137.50
	Total Secured Borrowings		74.19	306.55	50.00	137.50
II.	UNSECURED BORROWINGS					
1	Debentures	B				
	8100 Nos. of 5.78% Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - I-2021 (2022: 8100)		810.00	810.00	33.09	33.09
	7750 Nos. of 5.44% Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - II-2022 (2022: 7750)		775.00	775.00	32.57	32.57
	11450 Nos. of 6.43% Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - I-2020 (2022: 11450)		-	-	-	1151.46
	Total (Term Loans)		1585.00	1585.00	65.66	1217.12
2	Loans from related parties:	C				
	50,00,00,000 (2022 :50,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each		500.00	500.00	33.25	139.01
	Total Unsecured Borrowings		2085.00	2085.00	98.91	1356.13
	TOTAL LONG-TERM BORROWINGS		2159.19	2391.55	148.91	1493.63

Notes to Financial Statements

Note – 15 : Long-Term Borrowings (Contd..)

A. Secured Rupee Term Loans:

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Repayment	Security Details
1	Term Loan from Oil Industry Development Board - Rs 50 Crore	18-03-2019	Floating rate based on month end (semi-annualised) interest rates for 5 year G-Sec as per FIMMDA plus 50% of margins of AAA rated Bonds over G-Sec as quoted in INCORP (quote AAA INBMK) reset on a quarterly basis.	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis. Fully prepaid on 13.06.2022.	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to RLNG project Satisfaction of charge completed upon prepayment
2	Term Loan from Oil Industry Development Board - Rs 50 Crore	17-05-2019			
3	Term Loan from Oil Industry Development Board - Rs 150 Crore	30-10-2019		The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis. Fully prepaid on 13.06.2022.	
4	Term Loan from Oil Industry Development Board - Rs 100 Crore	31-03-2020	6.16%	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to BS-VI project to the extent of outstanding.
5	Term Loan from Oil Industry Development Board - Rs 100 Crore	30-06-2020	5.68%		
6	Term Loan from Oil Industry Development Board - Rs 100 Crore	26-03-2021	Floating rate based on month end (semi-annualised) interest rates for 5 year G-Sec as per FIMMDA plus 50% of margins of AAA rated Bonds over G-Sec as quoted in INCORP (quote AAA INBMK) reset on a quarterly basis.	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis. Fully prepaid on 13.06.2022.	

B. Unsecured Loans:

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Redemption
1	Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series -I-2021	17-07-2020	5.78%	Principal repayable at the end of 5 years from date of availment. Interest payable Annually
2	Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series -II-2022	23-06-2021	5.44%	Principal repayable at the end of 3 years from date of availment. Interest payable Annually
3	Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series -I-2020	28-02-2020	6.43%	Principal repayable at the end of 3 years from date of availment. Interest payable Annually. Fully Redeemed on 28.02.2023.

Notes to Financial Statements

Note – 15 : Long-Term Borrowings (Contd..)

C. Non Convertible Cumulative Redeemable Preference Shares

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

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

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

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

(b) Such shares shall rank for capital and dividend (including all dividend undeclared upto the commencement of winding up) and for repayment of capital in a winding up, pari passu inter se and in priority to the Ordinary Shares of the Company, but shall not confer any further or other right to participate either in profits or assets.

(c) The holders of such shares shall have the right to receive all notices of general meetings of the Company and have a right to vote only on resolution placed before the share holders which directly affect their rights attached to preference shares like winding up of company or repayment of preference shares etc.

(d) The tenure of the NCCRP Shares would be 10 years , with put and call option. Either the preference shareholder shall have right to exercise Put option or the Issuer shall have right to exercise Call option to redeem the preference shares, in whole or in part after the 5 years of the preference issue date. However, it is also agreed that Put & Call option before the 5 year period can be exercised by mutual consent of both the parties by giving 30 days notice.

(e) Dividend rate shall be equivalent to the Post tax yield of AAA rated corporate bond i.e. prevailing (at the time of issue) 10 year G-Sec yield plus spread on AAA rated corporate bond i.e., 6.65% p.a.

(ii) Non-convertible cumulative redeemable preference shares to the extent of ₹ 500 Crore, out of ₹ 1000 crore was redeemed on 06.06.2018.

(iii) Preference Shares held by Holding Company

₹ in Crore

Particulars	31-Mar-23	31-Mar-22
50,00,00,000 (2022 : 50,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹10/- each (100%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.	500.00	500.00

(iv) Details of Preference shareholders holdings more than 5% shares

Name of Preference Shareholder	31-Mar-23		31-Mar-22	
	Number of Preference shares held	Percentage of Holding	Number of Preference shares held	Percentage of Holding
Indian Oil Corporation Limited	500000000	100	500000000	100

(v) Preference dividend has been provisionally accrued as finance cost. However, as per the Companies Act 2013, the preference shares is treated as part of share capital and the provisions of the Act relating to declaration of Preference Dividend would be applicable.The Board of Directors have recommended preference dividend of 6.65% on the outstanding preference shares amounting to Rs. 33.25 Cr for the year (2021-22 : Rs. 33.25 cr for FY 2021-22 and Rs. 105.76 Cr being the cumulative preference dividend for the previous year(s)).

(vi) Refer Note -13 & 13A - Authorised and issued Preference Share capital and the reconciliation of no. of shares of preference shares

Notes to Financial Statements

Note – 16 : Other Financial Liabilities

₹ in Crore

Sl. No	Particulars	Note	Non-current 31-Mar-23	Non-current 31-Mar-22	Current 31-Mar-23	Current 31-Mar-22
1	Liability for Capital Expenditure	A	-	-	275.25	348.34
	Less: Transfer to disposal group held for transfer	B	-	-	11.06	25.06
					264.19	323.28
2	Liability to Trusts and Other Funds	C	-	-	12.73	5.38
3	Employee Liabilities for Expenses		-	-	202.34	156.86
4	Security Deposits	D	**6.48**	6.60	36.68	31.99
5	Liability for Unpaid Dividend	E	-	-	7.41	3.67
6	Other Financial Liabilities		-	-	3.02	2.04
	TOTAL		**6.48**	**6.60**	**526.37**	**523.22**

Notes :

A Includes dues Payable to Indian Oil Corporation Limited ₹ Nil (2022: ₹ 4.31 Crore) and Indian Oiltanking Limited ₹ 4.76 Crore (2022: ₹ 4.76 Crore)

B Refer Note 44.1

C Previous year figures have been regrouped from Note 6- Other Financial Assets which was hitherto netted and shown has now been grossed up.

D Non-Current Liability pertains to Indian Oil Corporation Ltd., the holding company.

E There are no amounts due for payment to the Investor Education and Protection Fund as at the year end.

Note – 17 : Provisions

₹ in Crore

Sl. No	Particulars	Note	Non-current 31-Mar-23	Non-current 31-Mar-22	Current 31-Mar-23	Current 31-Mar-22
1	Provision for Employee Benefits	A	**9.04**	9.58	1.86	1.73
2	Contingencies for probable obligations	B	-	-	522.74	332.73
	TOTAL		**9.04**	**9.58**	**524.60**	**334.46**

A Refer Note 6 B

B In compliance of Ind AS – 37 on "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under

₹ in Crore

	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year	Closing Balance
Sales Tax	246.04	217.05	-	-	463.09
Income Tax	86.69	-	-	27.04	59.65
TOTAL	**332.73**	**217.05**	**-**	**27.04**	**522.74**
Previous Year	24.50	321.67	-	13.44	332.73

Note – 18 : Other Liabilities

Sl. No	Particulars	Note	Non-current 31-Mar-23	Non-current 31-Mar-22	Current 31-Mar-23	Current 31-Mar-22
1	Deferred Income	**A**	7.16	7.45	0.29	0.29
2	Government Grants					
	Liability towards Government Grants (Refer Note - 40)		13.24	11.59	0.62	1.69
3	Statutory Liabilities		-	-	394.44	479.90
4	Advances from Customers	**B**	-	-	36.44	52.43
	TOTAL		**20.40**	**19.04**	**431.79**	**534.31**

Note :

A Pertains to Indian Oil Corporation Ltd., the holding company

B Includes payables to Indian Additives Limited, Joint Venture Company ₹ 0.82 Crore (2022: Nil).

Notes to Financial Statements

Note – 19 : Borrowings - Current

(At Amortised Cost)

₹ in Crore

Sl. No	Particulars	Note	31-Mar-23		31-Mar-22
I.	**SECURED BORROWINGS**				
1	**Loans Repayable on Demand**				
	From Banks:				
	a) **In Rupees**				
	i) Working Capital Demand Loan	A	-		2507.46
	Sub-Total			-	2507.46
2	**Current maturities of Long term debt**			**50.00**	137.50
	Total Secured Borrowings			**50.00**	**2644.96**
II.	**UNSECURED BORROWINGS**				
1	**Loans Repayable on Demand**				
	From Banks/Financial Institutions:				
	In Rupees				
	Working Capital Demand Loan		1927.36		2730.23
	Sub-Total			**1927.36**	2730.23
2	**Other Loans**				
	From Banks/Financial Institutions:				
	In Rupees				
	Commercial Paper			-	99.83
3	**Current maturities of Long term debt**			**98.91**	1356.13
	Total Unsecured Borrowings			**2026.27**	**4186.19**
	TOTAL BORROWINGS - CURRENT			**2076.27**	**6831.15**

Notes:

A Secured against hypothecation by way of first charge on Trade Receivables & Inventories to State Bank of India. The quarterly statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.

Note – 20 : Trade Payables

₹ in Crore

Particulars	Note	31-Mar-23	31-Mar-22
Dues to Micro and Small Enterprises	A	5.30	6.79
Dues to Related Parties	B	2202.38	1887.18
Dues to Others		799.43	1346.09
TOTAL	C	**3007.11**	**3240.06**

Notes :

A Details relating to Micro and Small Enterprises is as follows:

Particulars	31-Mar-23	31-Mar-22
(a) the principal amount	5.30	6.79
(b) the interest due thereon remaining unpaid	-	-
(c) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-

Notes to Financial Statements

Note – 20 : Trade Payables (Contd..)

Particulars	31-Mar-23	31-Mar-22
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

B Represents dues to Indian Oil Corporation Ltd., the holding company

C Refer Note - 10(A)

D Trade Payables aging schedule

Current Year:

₹ in Crore

Particulars	Outstanding for following periods from due date of payment					
	Unbilled	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
(i) MSME	-	5.30	-		-	5.30
(ii) Others	109.21	2878.02	7.54	3.42	3.48	3001.66
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	0.15	-	0.15
Total						**3007.11**

Previous Year:

₹ in Crore

Particulars	Outstanding for following periods from due date of payment					
	Unbilled	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
(i) MSME	-	6.79	-	-	-	6.79
(ii) Others	118.38	3103.31	4.67	2.63	4.13	3233.12
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	0.15	-	-	0.15
Total						**3240.06**

Note – 21 : Revenue from Operations

₹ in Crore

Sl. No	Particulars	Note	31-Mar-23		31-Mar-22
1	Sale of Products and Crude (including Excise Duty)		90945.14		60504.15
	Less: Discounts		144.03		102.13
	Sales (Net of Discounts)	A	90801.11		60402.02
2	Other Operating Revenues (Note "21.1")		107.16		72.27
				90908.27	60474.29
	TOTAL	B		**90908.27**	**60474.29**

Notes :

A Breakup of Gross revenue and Excise Duty on sales

Particulars	31-Mar-23	31-Mar-22
Revenue (gross)	90801.11	60402.02
Less: Excise Duty	14200.56	17358.81
Net Revenue	**76600.55**	**43043.21**

B Refer Note-42 Revenue from contracts with customers

Notes to Financial Statements

Note – 21.1 : Other Operating Revenues

₹ in Crore

Sl. No	Particulars	Note	31-Mar-23	31-Mar-22
1	Sale of Power		1.73	1.98
2	Unclaimed / Unspent liabilities written back		1.57	2.67
3	Recoveries from Employees		1.67	1.57
4	Sale of Scrap		37.32	21.20
5	Amortisation of Government Grants related to OIDB loan		0.86	1.67
6	Terminalling Charges		1.83	1.75
7	Other Miscellaneous Income	A	62.18	41.43
	TOTAL		**107.16**	**72.27**

A Includes ₹11.74 Crore (2022 : ₹ Nil Crore) in respect of Insurance claims

Note – 22 : Other Income

₹ in Crore

Sl. No	Particulars	Note	31-Mar-23		31-Mar-22
1	Interest on:				
	Financial Item:				
	a) Loans and Advances		6.93		4.56
	b) Deposits		0.26		0.18
	C) Others	A	-		5.56
				7.19	10.30
2	Dividend from Related Parties	B		**7.93**	5.92
3	Other Non Operating Income			-	0.01
	TOTAL			**15.12**	**16.23**

Note :

A Mainly due to reversal of interest expense under Income Tax Act

B Represents Dividends received from Indian Additives Limited (Non-Current Equity 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 Crore

Particulars	31-Mar-23	31-Mar-22
In relation to financial assets measured at amortised cost	**7.19**	10.30

Note – 23 : Cost of Materials Consumed

₹ in Crore

Particulars	Note	31-Mar-23	31-Mar-22
Raw Material Consumed :			
Opening Balance		**3779.90**	1968.68
Add :			
Purchases		**66593.39**	41856.41
Sub Total		**70373.29**	**43825.09**
Less: Closing Stock		**3184.52**	3779.90
TOTAL (Net)		**67188.77**	**40045.19**

Notes to Financial Statements

Note – 24 : Changes in Inventory

₹ in Crore

Particulars	31-Mar-23		31-Mar-22
Closing Stock			
a) Finished Products	1681.69		2456.30
b) Stock in Process	802.24		1006.28
		2483.93	3462.58
Less:			
Opening Stock			
a) Finished Products	2456.30		1935.27
b) Stock in Process	1006.28		299.96
		3462.58	2235.23
NET INCREASE/(DECREASE)		**(978.65)**	**1227.35**

Note – 25 : Employee Benefit Expense

₹ in Crore

Particulars		31-Mar-23	31-Mar-22
Employee Benefit Expense:			
(a) Salaries, Wages, Bonus etc	A	445.01	395.47
(b) Contribution to Provident & Other Funds		49.50	89.07
(c) Staff Welfare Expenses		61.79	63.29
TOTAL	B & C	**556.30**	**547.83**

Notes :

A Interest on plan assets in respect of Leave enchashment which was hitherto recognised under Interest on financial items - others ₹ 7.43 Cr has now been netted against Employee benefit expenses in respect of previous year figures.

B Disclosure in compliance with Ind AS - 19 on "Employee Benefits" is given in Note - 32

C Above excludes ₹ 14.42 Crore (2022: ₹ 19.2 Crore) transferred to capital work in progress (Note - 2.2) and ₹ 21.85 Crore (2022: ₹ 19.64 Crore) transferred to disposal group held for transfer (Note - 2.2)

Note – 26 : Finance Costs

₹ in Crore

Sl. No		Particulars	Note	31-Mar-23		31-Mar-22
1		**Interest Payments on Financial items:**	(i)			
	I	**Working Capital Loans**				
		Short term Borrowings		169.67		227.70
	II	**Other Loans**				
		Debentures/Long Term Loan	A	122.14		140.61
					291.81	368.31
	III	**Unwinding of Finance cost on Lease obligations**			**2.48**	1.80
	IV	**Interest expense for Preference Shares treated as financial liabilities**	B		**33.25**	33.25
2		**Interest Payments on Non Financial items**	C		**2.21**	0.36

Notes to Financial Statements

Note – 26 : Finance Costs (Contd..)

₹ in Crore

Sl. No	Particulars	Note	31-Mar-23		31-Mar-22
3	**Other Borrowing Cost**	D		**0.43**	1.15
4	**Exchange differences regarded as adjustment to borrowing cost**			**-**	7.57
	TOTAL			**330.18**	**412.44**

Notes:

A	Net of interest capitalised as part of CWIP Rs.8.69 Cr (2022: Rs.24.32 Cr) & transferred to disposal group held for transfer Rs.39.32 Cr (2022: Rs.27.08 Cr)	48.01	51.40
B	Refer Note-15 C (v)		
C	Mainly includes interest expense on account of Income Tax/ GST		

(i) Total interest expense (calculated using the effective interest method) for financial liabilities that are not measured at fair value through profit or loss:

₹ in Crore

Particulars	31-Mar-23	31-Mar-22
In relation to financial liabilities measured at amortised cost	**327.54**	403.36

D Mainly pertains to Stamp duty & other indirect expenses on borrowings.

Note – 27 : Other Expenses

₹ in Crore

Sl. No	Particulars	31-Mar-23		31-Mar-22
1	Consumption:			
	a) Stores, Spares and Consumables	133.77		94.41
	b) Packages & Drum Sheets	1.79		1.26
			135.56	95.67
2	Power & Fuel	3320.22		2485.20
	Less : Fuel from own production	3242.45		2419.28
			77.77	65.92
3	Irrecoverable taxes - Central Sales Tax		**463.35**	307.09
4	Repairs and Maintenance			
	i) Plant & Machinery	251.35		186.15
	ii) Buildings	1.14		1.09
	iii) Others	43.08		66.97
			295.57	254.21
5	Freight, Transportation Charges and Demurrage		**77.13**	27.37
6	Office Administration, Selling and Other Expenses (Refer Note "27.1")		**889.16**	481.46
	TOTAL		**1938.54**	**1231.72**
	Less: Company's use of own Products		**0.67**	1.10
	TOTAL (Net)		**1937.87**	**1230.62**

Notes to Financial Statements

Note – 27.1 : Office Administration, Selling and Other Expenses

₹ in Crore

Sl. No	Particulars	Note	31-Mar-23		31-Mar-22
1	Rent			**4.57**	11.60
2	Insurance			**30.80**	27.83
3	Rates & Taxes			**3.44**	2.14
4	Payment to auditors :				
	a) For Statutory Audit		0.24		0.24
	b) For Limited Review		0.11		0.12
	c) For Taxation Matters		0.05		0.04
	d) Other Services(for issuing other certificates etc.)		0.03		0.03
				0.43	0.43
5	Travelling & Conveyance			**20.03**	18.58
6	Communication Expenses			**2.05**	1.63
7	Printing & Stationery			**1.20**	0.93
8	Electricity & Water			**0.75**	0.46
9	Bank Charges			**0.51**	0.77
10	Provision / Loss on Assets sold or written off (Net)			**9.64**	12.10
11	Technical Assistance Fees			**6.96**	8.65
12	Exchange Fluctuation (Net)			**523.43**	98.65
13	Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores			**0.41**	2.78
14	Security Force Expenses			**34.30**	30.16
15	Terminalling Charges			**11.14**	9.90
16	Provision for Probable Contingencies			**217.06**	234.86
17	Expenses on CSR Activities	Refer Note:39		**-**	-
18	Miscellaneous Expenses	A		**22.44**	19.99
	TOTAL			**889.16**	**481.46**

Note :

A Miscellaneous Expenses Includes:

i) Expenditure on Advertisement, Public Relations and Publicity amounting to ₹ 0.61 Crore (2022: ₹ 0.49 Crore). The ratio of annual expenditure on Advertisement,Public Relations and Publicity to the annual turnover (inclusive of excise duty) is 0.00001:1 (2022: 0.00001:1)

ii) Entertainment Expenses ₹ 0.18 Crore (2022: ₹ 0.16 Crore)

Note – 28 : Other Comprehensive Income

₹ in Crore

Sl. No	Particulars	31-Mar-23		31-Mar-22
A.	**Items that will not be reclassified to profit or loss:**			
1	Remeasurement of Defined Benefit Plans	(18.12)		30.85
			(18.12)	30.85
B.	**Income Tax relating to items that will not be reclassified to profit or loss:**			
1	Remeasurement of Defined Benefit Plans	4.82		(7.61)
			4.82	(7.61)
	TOTAL		**(13.30)**	**23.24**

Notes to Financial Statements

Note – 29 : Distributions Made and Proposed

₹ in Crore

Particulars	31-Mar-23	31-Mar-22
Cash dividends on Equity shares	-	-
Final dividend for FY 2021-22 declared and paid during the year ended 31 March 2023: ₹ 2 per share; (for FY 2020-2021 declared and paid during the year ended 31 March 2022 : ₹ NIL Per Share)	**29.78**	-
	29.78	-
Proposed dividends on Equity shares:		
Final dividend for year ended 31 March 2023: ₹ 27 per share (31 March 2022: ₹ 2 per share)	402.06	29.78
	402.06	**29.78**

Proposed dividend on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability as at 31 March 2023

Note : Refer Note-15 C (v) for Preference dividend

Note – 30 : Earnings Per Share (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31-Mar-23	31-Mar-22
Profit / (Loss) attributable to equity holders (₹ in Crore)	**3533.81**	1342.42
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	**148911400**	148911400
Earning Per Share (Basic and Diluted) (₹)	**237.31**	90.15
Face value per share (₹)	**10.00**	10.00

Note – 31 : Disclosure of Interest in Joint Ventures and Associates

(₹ in Crore)

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying Amount	
					As at 31.03.2023	As at 31.03.2022
Indian Additives Limited	India	50%	Joint Venture	Equity Accounting	11.83	11.83
National Aromatics and Petrochemical Corporation Limited	India	50%	Joint Venture	Equity Accounting	Nil	Nil

Note: CPCL has paid Rs. 0.0125 Cr during the year towards share application money pending allotment in CBRPL (Refer Note 6 - Other Finanical Assets 2 (A))

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 ₹ 25.03 Crore (2022: ₹ 24.62 Crore) towards contribution to Defined Employees Pension Scheme in the Statement of Profit and Loss / CWIP (included in Contribution to Provident & Other Funds in Note - 25 / Construction period expenses in Note-2.1)

During the year, the company has recognised ₹ 1.71 Crore (2022: ₹ 1.81 Crore) as contribution to EPS-95 in the Statment of Profit and Loss / CWIP (included in Contribution to Provident and Other Funds in Note - 26 / Construction period expenses in Note-2.1)

Notes to Financial Statements

Note – 32 : Employee Benefits (Contd..)

B. Defined Benefit Plans- General Description

1 Provident Fund:

The Company's contribution to the Provident Fund is remitted to separate provident fund trust established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company. The Provident Fund maintained by the PF Trust in respect of which actuarial valuation is carried out and ₹ 6.9 Crore (2022 : ₹ 4.91 Crore) has been provided by the company towards the current and future interest shortfall/losses beyond available surplus.

2 Gratuity:

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the eligible salary for every completed year of service subject to a maximum of ₹ 0.20 Crore at the time of separation from the company. Besides, the ceiling of gratuity increases by 25% whenever IDA rises by 50%. The company has funded the liability through insurance company.

3 Post Retirement Medical Scheme (PRMS):

PRMS provides medical benefit to retired employees and eligible dependant family members.The company has funded the liability through insurer managed funds.

4 Workman Compensation:

The company pays an equivalent amount of 100 months salary to the family member of employee, if employee dies due to accidental death while he is on duty. This scheme is not funded by the company. The liability originates out of the workman compensation Act and Factory Act.

C. Other Long-Term Employee Benefits - General Description

1 Leave Encashment:

(i) Each employee is entitled to get 8 days of earned leave for each completed quarter of service. Encashment of earned leave is allowed during service leaving a minimum balance of 15 days subject to maximum accumulation up to 300 days. In addition each employee is entitled to get 5 days of sick leave at the end of every six months. The Company has been adopting a practice of permitting encashment of the entire accumulation of sick leave only at the time of retirement.

(ii) DPE Guidelines in this regard states that sick leave cannot be encashed. The company continues this practice keeping in view operational complications and service agreements. Our Holding company has represented to the concerned authorities in earlier years to reconsider the matter. The matter has been dealt in 3rd PRC recommendations, which is effective January 1,2017 and CPSEs have been allowed to frame their own rules considering operational necessities and subject to conditions set therein. The net expenditure accounted towards encashment of sick leave for the year is ₹ 6.07 Crore (2022: ₹ 1.96 crore). The accumulated provision for towards encashment of sick leave is ₹ 32.16 Crore (2022: ₹ 29.86 Crore).

2 Long Service Award:

On completion of specified period of service with the Company and also at the time of retirement, employees are rewarded with Prepaid Card as per eligibility, based on the duration of service completed based on the Board approved policy. This award based on length of meritorious and faithful service of employees (Long Service Award) was specifically allowed by DPE (formerly BPE) thru its letter dated 14.02.1983. MOP&NG has advised the Company that the Scheme is in contravention to the present DPE guidelines issued vide DPE OM No. 2(22)/97-DPE(WC) dated 20th November, 1997. The matter is being pursued with MOP&NG for resolution. Pending resolution of the matter, the company is of the view that the provision is in line with Board approved policy. The net expenditure accounted on this account is ₹ 1.01 Crore (2022: ₹ 0.96 Crore). The accumulated provision in this regard is ₹ 10.54 Crore (2022: ₹ 10.95 Crore). The Company continues this practice keeping in view operational complications and service agreements. Our Holding company has represented to the concerned authorities in earlier years to reconsider the matter.

Notes to Financial Statements

Note – 32 : Employee Benefits (Contd..)

D. The summarised position of various defined benefits / Long Term Employee Benefits recognised in the Statement of Profit & Loss, Balance Sheet are as under:

(Figures presented in *Italic Font* in the table are for previous year)

(i) Reconciliation of balance of Defined Benefit / Long Term Employee Benefit Obligations

₹ in Crore

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Defined Obligation at the beginning	**629.90**	**153.46**	**254.59**
	617.28	*163.96*	*258.00*
Current Service Cost	**23.62**	**3.19**	**3.91**
	23.58	*3.35*	*3.93*
Interest Cost	**47.38**	**11.10**	**18.84**
	61.21	*11.23*	*17.83*
Past Service Cost		-	-
	-	-	-
Benefits paid	**(90.83)**	**(16.00)**	**(7.74)**
	(112.73)	*(19.53)*	*(6.01)*
Employee Contribution	**37.61**	**-**	**-**
	40.41	-	-
Amounts Transferred in /out	**(19.42)**	**-**	**-**
	(0.12)	-	-
Actuarial (gain)/ loss on obligations	**1.71**	**1.89**	**13.64**
	0.27	*(5.55)*	*(19.16)*
Defined Benefit Obligation at the end of the year	**629.97**	**153.64**	**283.24**
	629.90	*153.46*	*254.59*

(ii) Reconciliation of balance of Fair Value of Plan Assets

₹ in Crore

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Fair Value of Plan Assets at the beginning of the year	**625.00**	**170.89**	**275.88**
	612.93	*137.53*	*246.45*
Expected return on plan assets (Interest Income)	**47.02**	**12.36**	**20.41**
	60.93	*9.42*	*17.03*
Contribution by employer	**23.62**	**-**	**-**
	23.58	*23.59*	*8.29*
Contribution by employees	**37.61**	**-**	**-**
	40.41	-	-
Benefit paid	**(90.83)**	**(0.16)**	**-**
	(112.73)	*(1.94)*	-
Amounts Transferred in /out	**(19.35)**	**-**	**-**
	(0.12)	-	-
Actuarial gain / (losses)(Return on Plan Assets excl interest income)	**-**	**(0.41)**	**(0.47)**
	-	*2.29*	*4.11*
Fair Value of plan assets at the end of the year	**623.07**	**182.68**	**295.82**
	625.00	*170.89*	*275.88*

Notes to Financial Statements

Note – 32 : Employee Benefits (Contd..)

(iii) Reconciliation of Fair Value of Plan Assets and Defined Benefit Obligation

₹ in Crore

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Fair Value of plan assets at the end of the year	**623.07**	**182.68**	**295.82**
	625.00	*170.89*	*275.88*
Defined Benefit Obligation at the end of the year	**629.97**	**153.64**	**283.24**
	629.90	*153.46*	*254.59*
Net Interest shortfall / Liability / (Asset)recognised in the Balance Sheet	**6.90**	**(29.04)**	**(12.58)**
	4.90	*(17.43)*	*(21.29)*
Amount not recognised in the Balance Sheet	-	-	-
	-	-	-

(iv) Amount recognised in Statement of Profit and Loss / CWIP

₹ in Crore

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Current Service Cost	**23.62**	**3.19**	**3.91**
	23.58	*3.35*	*3.93*
Interest Cost	**47.38**	**11.10**	**18.84**
	61.21	*11.23*	*17.83*
Expected (return) / loss on plan asset	**(47.02)**	**(12.36)**	**(20.41)**
	(60.93)	*(9.42)*	*(17.03)*
Contribution by Employees	-	-	-
	-	-	*(0.12)*
Past Service Cost	-	-	-
	-	-	-
Expenses for the year	**23.98**	**1.93**	**2.34**
	23.86	*5.16*	*4.61*

(v) Amount recognised in Other Comprehensive Income (OCI)

₹ in Crore

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Actuarial (gain)/ loss on Obligations	**1.71**	**1.89**	**13.64**
	0.27	*(5.55)*	*(19.16)*
Remeasurement (Return on Plan Assets excl interest income)	-	**0.41**	**0.47**
	-	*(2.29)*	*(4.11)*
Net Loss / (Gain) recognized in OCI	**1.71**	**2.30**	**14.11**
	0.27	*(7.84)*	*(23.27)*
Net Loss / (Gain) not recognized in P&L / OCI	-	-	-
	-	-	-

(vi) Major Actuarial Assumptions

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Discount rate	**7.52%**	**7.52%**	**7.53%**
	7.23%	*7.23%*	*7.40%*
Guaranteed return on plan assets	**8.15%**	-	-
	8.10%	-	-
Salary escalation	-	**8.00%**	-
	-	*8.00%*	-
Inflation	-	-	**7.00%**
	-	-	*7.00%*

Notes to Financial Statements

Note – 32 : Employee Benefits (Contd..)

The estimate of future salary increases considered in actuarial valuation takes into account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management and historical results of the return on plan assets.

(vii) Sensitivity on Actuarial Assumptions:

₹ in Crore

Loss / (Gain) for:	Gratuity	PRMS
	Funded	Funded
Change in Discounting Rate		
Increase by 0.5%	**(4.77)**	**(21.72)**
	(4.76)	*(19.22)*
Decrease by 0.5%	**5.12**	**24.74**
	5.11	*21.88*
Change in Employee Turnover		
Increase by 0.5%	**0.46**	**0.60**
	0.42	*0.50*
Decrease by 0.5%	**(0.48)**	**(0.64)**
	(0.44)	*(0.54)*
Change in Salary Escalation/ Inflation rate		
Increase by 0.5%	**2.17**	**24.89**
	4.13	*21.99*
Decrease by 0.5%	**(2.12)**	**(22.04)**
	(3.78)	*(19.48)*

(viii) Investment details:

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Investment with Insurer	**-**	**100.00%**	**100.00%**
	-	*100.00%*	*100.00%*
Self managed investments	**100.00%**	**-**	**-**
	100.00%	*-*	*-*

Details of the investment pattern for the above mentioned funded obligations is as under:

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Government securities (Central & State)	**51.66%**	**65.43%**	**80.37%**
	48.46%	*29.80%*	*81.85%*
Investment in Equity / Mutual Funds	**12.73%**	**12.27%**	**10.87%**
	10.24%	*14.51%*	*8.39%*
Investment in Debentures / Securities	**30.19%**	**20.53%**	**8.36%**
	36.37%	*50.98%*	*9.23%*
Other approved investments (incl. Cash)	**5.42%**	**1.77%**	**0.40%**
	4.92%	*4.71%*	*0.53%*

Notes to Financial Statements

Note – 32 : Employee Benefits (Contd..)

(ix) The following payments are expected projections to the defined benefit plan in future years:

₹ in Crore

Cash Flow Projection from the Fund/Employer	Gratuity Funded	PRMS Funded	Total
Within next 12 Months	**18.91**	**8.19**	**27.10**
	20.49	*7.53*	*28.02*
Between 2 to 5 Years	**69.60**	**42.32**	**111.92**
	62.69	*38.82*	*101.50*
Between 6 to 10 Years	**68.51**	**76.74**	**145.25**
	70.38	*70.10*	*140.48*

	Gratuity Funded	PRMS Funded
Weighted Average Duration of Defined Benefit Obligation	**8 Years**	**15 Years**
	8 Years	*14 Years*

Note – 33 : Commitments and Contingencies

A Leases

(a) As lessee

The Company has entered into various material lease arrangements (including in substance lease arrangements) such as lands and buildings for purpose of its plants, facilities, offices, etc..,

The Employees Township at Cauvery Basin Refinery has been constructed on land area of thirty four acres and forty nine cents of land leased from a trust on five-year renewable basis.

Amount Recognized in Statement of Profit and Loss Account or Carrying Amount of Another Asset

(₹ in Crore)

Particulars	31-03-2023	31-03-2022
Depreciation recognized	7.63	6.27
Interest on lease liabilities	2.08	1.39
Expenses relating to short-term leases (leases more than 30 days but less than 12 months)	3.12	2.46
Variable lease payments not included in the measurement of lease liabilities	1.32	2.19
Total cash outflow for leases	12.87	12.02
Additions to ROU during the year	15.29	2.61
Net Carrying Amount of ROU at the end the year	21.15	13.49

The details of ROU Asset other than leasehold land included in PPE (Note 2) held as lessee by class of underlying asset is presented below :-

Current Year :

(₹ in Crore)

Asset Class	Items Added to RoU Asset as on 01.04.2022	Additions to RoU Asset during the Year	Depreciation Recognized During the Year	Net Carrying value as on 31.03.2023
Leasehold Land	7.86	4.28	4.50	7.63
Buildings Roads etc.	0.31	-	0.02	0.30
Plant & Equipment	-	-	-	-
Transport Equipments	5.32	11.01	3.11	13.22
Total	**13.49**	**15.29**	**7.63**	**21.15**

Notes to Financial Statements

Note – 33 : Commitments and Contingencies (Contd..)

Previous Year :

(₹ in Crore)

Asset Class	Items Added to RoU Asset as on 01.04.2021	Additions to RoU Asset during the Year	Depreciation Recognized During the Year	Net Carrying value as on 31.03.2022
Leasehold Land	8.42	0.94	1.50	7.86
Buildings Roads etc.	0.33	-	0.02	0.31
Plant & Equipment	1.11	-	1.11	-
Transport Equipments	7.29	1.67	3.64	5.32
Total	**17.15**	**2.61**	**6.27**	**13.49**

As per requirement of the standard, maturity analysis of Lease Liabilities have been shown as part of borrowings under Liquidity Risk of Note 36: Financial Instruments & Risk Factors.

Details of items of future cash outflows which the Company is exposed as lessee but are not reflected in the measurement of lease liabilities are as under;

(i) Variable Lease Payments

As per general industry practice, the Company incurs various variable lease payments which are based on rate, kms covered etc. and are recognized in profit or loss and not included in the measurement of lease liability.

(b) As lessor

(i) Operating Lease

The lease rentals recognized as income in these statements as per the rentals stated in the respective agreements:

(₹ in Crore)

Particulars	31-03-2023	31-03-2022
A. Lease rentals recognized during the period	31.03	30.62
B. Value of assets given on lease included in tangible assets		
- Gross Carrying Amount	15.08	9.99
- Accumulated Depreciation	2.87	1.41
- Depreciation recognized in the Statement of Profit and Loss	0.39	0.19

These relate to storage tankage facilities for petroleum products, buildings, plant and equipments given on lease. Asset class wise details have been presented under Note 2: Property, Plant & Equipments.

Maturity Analysis of Undiscounted Lease Payments to be received after the reporting date

(₹ in Crore)

Particulars	31-03-2023	31-03-2022
Less than one year	16.83	16.75
One to two years	15.85	15.16
Two to three year	16.67	15.92
Three to four years	17.52	16.74
Four to five years	18.42	17.52
More than five years	693.80	712.23
Total	**779.09**	**794.32**

Notes to Financial Statements

Note – 33 : Commitments and Contingencies (Contd..)

B Contingent Liabilities

Contingent Liabilities amounting to ₹606.82 Crore (2022: ₹201.48 Crore) are as under

(i) ₹ 539.11 Crore (2022: ₹ 28.03 Crore) being the demands raised by the Central Excise / Customs / Service Tax Authorities including interest of ₹ 173.16 Crore (2022: ₹ 12.26 Crore).

(ii) ₹ 10.48 Crore (2022: ₹ 145.73 Crore) being the demands raised by the VAT/ Sales Tax Authorities and includes no interest (2022: Nil).

(iii) ₹ 54.31 Crore (2022: ₹ 20.67 Crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹ 8.58 Crore (2022: ₹ 8.41 Crore).

(iv) ₹ 2.92 Crore (2022: ₹ 7.05 Crore) in respect of other claims including interest of ₹ 1.37 Crore (2022: ₹ 6.75 Crore).

The Company has not considered those disputed demands / claims as contingent liabilities, for which, the outflow of resources has been considered as remote.

C Commitments

(i) Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account not provided for ₹ 199.76 Crore (2022: ₹ 266.81 Crore).

(ii) Other Commitments

The Company has an export obligation to the extent of ₹ 219.05 Crore (2022: ₹ 147.02 Crore) on account of concessional rate of customs duty availed under EPCG license scheme on procurement of capital goods and the same is expected to be fulfilled by way of exports.

Note - 34 “Related Party Disclosures” in compliance with Ind-AS 24, are given below:

1. Relationship with Entities

A. Details of Holding Company

1) Indian Oil Corporation Limited (IOCL)

The following transactions were carried out with Holding Company in the ordinary course of business:

(₹ in Crore)

Particulars	31-Mar-2023	31-Mar-2022
• Sale of Products/ Crude and Services	**84387.19**	57194.25
• Dividend on Preference Shares	**33.25**	33.25
• EDP Maintenance	**4.82**	3.08
• Other Operating Income	**32.93**	32.52
• Purchase of Raw Material	-	969.91
• Purchase of Stock-in-Trade	**198.30**	47.72
• Purchase of Stores & Spares	**5.35**	5.10
• Canalising commission	**5.88**	6.35
• Vessel hiring charges	**62.45**	84.68
• Terminalling and Facilitation Charges	**6.42**	6.00
• Rental Expenditure	**0.66**	3.18
• Subscription Expenses	-	0.30
• Training Expenses	**0.02**	0.03
• Purchase of RLNG	**1847.18**	1355.02
• Finance Cost - Unwinding of finance cost	**0.40**	0.40

Notes to Financial Statements

Note - 34 "Related Party Disclosures" in compliance with Ind-AS 24, are given below: (Contd..)

(₹ in Crore)

Particulars	31-Mar-2023	31-Mar-2022
• Capital Advances / (Liabilities)	-	(4.31)
• Revenue Advances	0.20	0.16
• Outstanding Receivables	150.34	178.72
• Other Liabilities - Land given on lease	13.93	14.34
• Other Non - current Assets - Land given on lease	57.80	44.37
• Outstanding payables		
Trade Payables	2202.38	1887.18
Preference Shares (at face value)	500.00	500.00

B. Details of Joint Ventures / Associates

i) Indian Additives Limited

(₹ in Crore)

Particulars	31-Mar-2023	31-Mar-2022
• Investment	11.83	11.83
• Sale of Product	38.72	29.65
• Rental income	0.64	0.58
• Maintenance Expenses	-	1.30
• Dividend received	7.93	5.92
• Outstanding Payables	0.82	1.30
• Outstanding Receivables	-	0.36

ii) National Aromatics & Petrochemicals Corp. Limited

(₹ in Crore)

Particulars	31-Mar-2023	31-Mar-2022
• Investments in Joint Venture Entities/ Associates	0.03	0.03
• Claims recoverable	22.66	22.66

The Investment & claims recoverable has been fully impaired (Note - 4)

iii) Cauvery Basin Refinery and Petrochemicals Limited

(₹ in Crore)

Particulars	31-Mar-2023	31-Mar-2022
• Share application money pending allotment	0.01	-

C. Details of Joint Ventures/Associates of Holding Company

i) Indian Oiltanking Limited

(₹ in Crore)

Particulars	31-Mar-2023	31-Mar-2022
• Outstanding payable	4.76	4.76

ii) Falcon Oil & Gas B.V

(₹ in Crore)

Particulars	31-Mar-2023	31-Mar-2022
• Purchase of Crude Oil	865.83	-

Notes to Financial Statements

Note - 34 “Related Party Disclosures” in compliance with Ind-AS 24, are given below: (Contd..)

D. Government related entities where significant transactions are carried out:

Apart from transactions reported above, the company has transactions with other Government related entities, which includes but not limited to the following:

Name of Government: Government of India (Central and State Government)

Nature of Transactions:

- Sale of Product and Services
- Purchase of Product
- Purchase of Raw Materials
- Handling and Freight Charges, etc.
- Borrowings

These transactions are conducted in the ordinary course of the Company’s business on terms comparable to those with other entities that are not Government-related

2) Key Managerial Personnel

A.	Whole Time Directors / Company Secretary	B.	Independent / Part time Non-Executive Directors (Government / IOCL/ NICO Nominee)
1)	Shri Arvind Kumar (w.e.f 27.08.2021)	1)	Shri S M Vaidya (Non - Executive Chairman)
2)	Shri Rajeev Ailawadi (Upto 28.02.2023)	2)	Shri D. Durai Ganesan (Upto 13.08.2021)
3)	Shri Rohit Kumar Agrawala (w.e.f 01.03.2023)	3)	Smt. Sobha Surendran (Upto 31.10.2022)
4)	Shri. S.Krishnan	4)	Shri Mohammad Bagher Dakhili
5)	Shri H. Shankar	5)	Shri Babak Bagherpour
6)	Shri P.Shankar	6)	Shri M Narayana Rao (Upto 29.07.2022)
		7)	Shri Amitabh Mathur (Upto 29.07.2022)
		8)	Shri Deepak Srivastava (w.e.f 10.08.2021)
		9)	Ms. Sukla Mistry (w.e.f. 16.11.2021)
		10)	Shri Dr. C. K. Shivanna (w.e.f. 16.11.2021)
		11)	Shri Ravi Kumar Rungta (w.e.f. 16.11.2021)
		12)	Shri Manoj Sharma (Upto 09.11.2021)
		13)	Shri Sukh Ram Meena (Upto 09.08.2021)
		14)	Shri K Surendran (w.e.f 27.03.2023)

Details relating to the parties referred to in Item No.2A & 2B above :

For the Year ended 31-Mar-2023

(₹ in Crore)

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Sitting Fee	Outstanding loans/ advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri Arvind Kumar	0.60	0.11	-	-	0.71	-	0.07
2) Shri Rajeev Ailawadi	0.58	0.10	0.47		1.15		-
3) Shri Rohit Kumar Agrawala	0.03	0.01			0.04		0.17
4) Shri S.Krishnan	0.67	0.12	0.08		0.87		-
5) Shri H.Shankar	0.62	0.11	0.07		0.80		0.27
6) Shri P.Shankar	0.56	0.10	0.16		0.82		0.03

Notes to Financial Statements

Note - 34 "Related Party Disclosures" in compliance with Ind-AS 24, are given below: (Contd..)

(₹ in Crore)

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Sitting Fee	Outstanding loans/ advance receivables
B. Independent / Government Nominee Directors#							
1) Shri. Amitabh Mathur	-	-	-	-	-	0.02	-
2) Shri. Myneni Narayana Rao	-	-	-	-	-	0.03	-
3) Smt. Sobha Surendran	-	-	-	-	-	0.03	-
4) Shri. Ravi Kumar Rungta	-	-	-	-	-	0.05	-
5) Shri. C.K Shivanna	-	-	-	-	-	0.05	-
TOTAL	**3.06**	**0.55**	**0.78**	**-**	**4.39**	**0.18**	**0.54**

Sitting fees paid to Independent Directors

For the Year ended 31-Mar-2022

(₹ in Crore)

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Sitting Fee	Outstanding loans/ advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri Arvind Kumar	0.25	0.06	-	-	0.31	-	0.09
2) Shri Rajeev Ailawadi	0.63	0.10	-	-	0.73	-	-
3) Shri S.Krishnan	0.68	0.11	-	-	0.79	-	-
4) Shri H.Shankar	0.51	0.10	-	-	0.61	-	0.30
5) Shri P.Shankar	0.56	0.09	0.01	-	0.66	-	0.06
B. Independent / Government Nominee Directors#							
1) Shri. D.Durai Ganesan	-	-	-	-	-	0.02	-
2) Shri. Amitabh Mathur	-	-	-	-	-	0.05	-
3) Shri. Myneni Narayana Rao	-	-	-	-	-	0.05	-
4) Smt. Sobha Surendran	-	-	-	-	-	0.03	-
5) Shri. Ravi Kumar Rungta	-	-	-	-	-	-	-
6) Shri. C.K Shivanna	-	-	-	-	-	-	-
TOTAL	**2.63**	**0.46**	**0.01**	**-**	**3.10**	**0.15**	**0.45**

Sitting fees paid to Independent Directors

This does not include the impact of provision made on actuarial valuation of retirement benefit/long term Schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual directors

Notes to Financial Statements

Note - 34 "Related Party Disclosures" in compliance with Ind-AS 24, are given below: (Contd..)

3) Trusts

Transactions with Post Employment Benefit Plans managed through separate trust

₹ in Crore

Sl. No	Name of the Trust	Post Employment Benefit Plan	31-Mar-2023		31-Mar-2022	
			Contribution by Employer	Outstanding Payable	Contribution by Employer	Outstanding Payable
A	CPCL Employees Provident Fund	Provident Fund	24.20	2.11	24.05	2.00
B	CPCL Employees Superannuation Benefit Fund	Pension Scheme	6.47	-	11.52	-
C	CPCL Employees Group Gratuity Trust	Gratuity	-	-	23.59	-
D	Post Retirement Medical Benefit Trust	PRMB	-	-	8.17	-

Note – 35 : Fair Values

Set out below, is a comparison by class of the carrying amounts as per financial statements and fair value of the Company's financial instruments, along with the fair value measurement hierarchy:

(₹ in Crore)

Particulars	Carrying value		Fair value		Fair value measurement hierarchy level
	As at 31-Mar-2023	As at 31-Mar-2022	As at 31-Mar-2023	As at 31-Mar-2022	
Financial Assets					
Amortised Cost:					
Loans to employees	104.41	71.55	68.51	52.92	Level 2
Total	**104.41**	**71.55**	**68.51**	**52.92**	
Financial liabilities					
A. Borrowings:					
Amortised Cost:					
Non-Convertible Redeemable Debentures	1650.66	2802.12	1591.89	2818.63	Level 2
Lease obligation	24.14	15.63	23.89	15.88	Level 2
Preference Shares	533.25	639.01	548.27	626.40	Level 2
Term Loans from Oil Industry Development Board (OIDB)	124.19	444.05	125.63	452.66	Level 2
Total	**2332.24**	**3900.81**	**2289.68**	**3913.57**	

Notes:

1. Levels under Fair Value measurement hierarchy are as follows:

   (a) **Level 1** items fair valuation is based upon **market price quotation at each reporting date**

   (b) **Level 2** items fair valuation is based upon **Significant observable inputs like PV of future cash flows, MTM valuation, etc**.

   (c) **Level 3** items fair valuation is based upon **Significant unobservable inputs wherein valuation done by independent valuer**.

2. The management assessed that Trade Receivables, Cash and Cash Equivalents, Bank Balances, Deposit for Leave Encashment Fund, Recoverable from Employee Benefits Trusts, Other Non-derivative Current Financial Assets, Short-term Borrowings, Trade Payables, Floating Rate Loans and Other Non-derivative Current Financial Liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

3. The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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Note – 35 : Fair Values (Contd..)

Methods and assumptions

The following methods and assumptions were used to estimate the fair values at the reporting date:

Level 2 Hierarchy:

(i) **Derivative instruments at fair value through profit or loss viz.Foreign exchange forward contracts:** Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs are considered.

(ii) **Loans to employees, Loan to related parties, Security deposits paid and Security deposits received,Lease obligations**: Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities

(iii) **Non Convertible Redeemable Preference shares :** The fair value of Preference shares is estimated by discounting future cash flows.

(iv) **Term Loans from Oil Industry Development Board (OIDB):** Discounting future cash flows using rates currently available for similar type of borrowings (OIDB Borrowing rate) using exit model as per Ind AS 113.

Note – 36 : Financial Instruments and Risk Factors

Financial Risk Factors

The Company's principal financial liabilities, other than derivatives, comprise Borrowings, trade and other payables, security deposits and employee liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include loans & advances, trade and other receivables, short-term deposits and cash / cash equivalents that derive directly from its operations. The company's requirement of crude oil imports are canalized through its holding company, Indian Oil Corporation Limited. The derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that trading in derivatives are taken only to hedge the various risks that the company is exposed to and not for speculation purpose.

The Company is exposed to a number of different financial risks arising from natural business exposures as well as its use of financial instruments including market risk relating to interest rate, commodity prices, foreign currency exchange rates and equity price, credit risk and liquidity risk.

To ensure alignment of Risk Management system with the corporate and operational objective and to improve upon the existing procedure, the Executive Committee of the company constituted a Committee comprising of officials from various functional areas to identify the risks in the present context, prioritize them and formulate proper action plan for implementation. The Committee has formulated the Risk Management Policy.

The Action Taken Report on the Risk Management Policy for the year 2022-23 was reviewed by the Risk Management Committee, Audit Committee and Board of Directors at their meetings held on 27.04.2023.

The Board of Directors oversees the risk management activities for managing each of these risks, which are summarised below:

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The major components of market risk are interest rate risk, foreign currency risk, commodity price risk and other price risks etc. Financial instruments affected by market risk include Borrowings, Deposits and derivative financial instruments.

Notes to Financial Statements

Note – 36 : Financial Instruments and Risk Factors (Contd..)

The sensitivity analysis in the following sections relate to the position as at 31 March 2023 and 31 March 2022

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions, and other non-financial assets.

The following assumptions have been made in calculating the sensitivity analysis:

– The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at 31 March 2023 and 31 March 2022 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 2023.

1) Interest rate risk

The Company is also exposed to interest rate risk from the possibility that changes in interest rates will affect future cash flows of a financial instrument, principally financial debt. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's interest rate risk management includes to maintain a mix between fixed and floating rates for rupee and foreign currency loans, based on liquidity, availability of cost effective instruments and considering the market / regulatory constraints. As at 31 March 2023, approximately 100% of the Company's Long term borrowings are at fixed rate of interest (31 March 2022: 92%).

The sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, on floating rate borrowings is as follows:

Currency	Increase / Decrease in basis points	Effect on profit before tax (₹ in Crore)	Increase / Decrease in basis points	Effect on profit before tax (₹ in Crore)
	31-Mar-2023		31-Mar-2022	
INR	+50	-	+50	(1.35)
US Dollar	+50	-	+50	-
INR	-50	-	-50	1.35
US Dollar	-50	-	-50	-

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

2) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and Borrowings.

Notes to Financial Statements

Note – 36 : Financial Instruments and Risk Factors (Contd..)

The Company manages its foreign currency risk through combination of natural hedge, hedging undertaken on occurrence of pre-determined triggers as per the Risk management policy. The hedging is undertaken through forward contracts.

The sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant and the impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities is tabulated below. The Company's exposure to foreign currency changes for all other currencies is not material.

Currency	Increase / Decrease in %	Effect on profit before tax (₹ in Crore)	Increase / Decrease in %	Effect on profit before tax (₹ in Crore)
	31-Mar-2023		31-Mar-2022	
US Dollar	+5%	(205.36)	+5%	(224.94)
	-5%	205.36	-5%	224.94

The effects of most exchange rate fluctuations are absorbed in business operating results which are offset by changing cost competitiveness, lags in market adjustments to movements in rates to its other non-financial assets like inventory etc. For this reason, the total effect of exchange rate fluctuations is not identifiable separately in the company's reported results.

3) Commodity price risk

The Company is exposed to various commodity price related risk such as Refinery Margins i.e. Differential between the prices of petroleum products & crude oil, inventory valuation fluctuation and crude oil imports etc. As per approved risk management policy, the Company can undertake refinery margin hedging, inventory hedging and crude oil price hedging through swaps, options and futures in the OTC market as well as domestic exchanges to mitigate the risk within the approved limits.

B. Credit risk

1) Trade receivables

Customer credit risk is managed according to the Company's policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. Transactions other than with oil marketing companies are either generally covered by Letters of Credit, Bank Guarantees or cash-and-carry basis.

2) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty so as to minimise concentration of risks and mitigate consequent financial loss.

The Company's maximum exposure to credit risk for the components of the Balance Sheet at 31 March 2023 and 31 March 2022 is the carrying amounts as provided in Note 4, 5, 6, 11 & 12.

C. Liquidity risk

The Company monitors its risk of shortage of funds using detailed cash flow projections which is monitored closely on daily basis. The Company seeks to manage its liquidity requirement by maintaining access to both short term and long term debt markets. In addition, Company has committed credit facilities from banks.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, commercial papers, bank loans and debentures. and finance leases. The Company assessed the concentration of risk and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

Notes to Financial Statements

Note – 36 : Financial Instruments and Risk Factors (Contd..)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ in Crore)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31-Mar-2023						
Borrowings	1927.36	-	148.91	2159.19	-	4235.46
Lease obligations	-	1.56	4.30	16.77	1.51	24.14
Trade payables	247.92	2759.19	-	-	-	3007.11
Other financial liabilities	526.37	-	-	6.48	-	532.85
	2701.65	**2760.75**	**153.21**	**2182.44**	**1.51**	**7799.56**
Year ended 31-Mar-2022						
Borrowings	5237.69	137.33	1390.47	2457.22	-	9222.70
Lease obligations	-	1.10	3.37	8.60	2.56	15.63
Trade payables	287.59	2952.47	-	-	-	3240.06
Other financial liabilities	523.22	-	-	6.60	-	529.82
	6048.49	**3090.90**	**1393.84**	**2472.42**	**2.56**	**13008.21**

D. Excessive risk concentration

Substantial portion of the Company's sales is to the Holding Company, Indian Oil Corporation Limited. Consequently, trade receivables from IOCL are a significant proportion of the Company's receivables. Since the operations are synchronised with those of the Holding Company, for optimal results, the same does not present any risk.

E. Collateral

As the Company has been rated investment grade by various rating agencies, there has been no requirement of submitting any collateral for booking of derivative contracts. The Company undertakes derivatives contract only with those counterparties that have credit rating above the internally approved threshold rating. Accordingly, the Company does not seek any collaterals from its counterparties.

Note – 37 : Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company monitors capital using debt equity ratio, which is borrowings divided by Equity. The Company's strategy is to keep the debt equity ratio in the range of 2:1 and 1:1 under normal circumstances. The Company also includes accrued interest in the borrowings for the purpose of capital management. The Debt-Equity ratio which impacted due to the lower product cracks arising out of the CoVID-19 situation has improved during the year.

(₹ in Crore)

Particulars	31-Mar-23	31-Mar-22
Borrowings	4235.46	9222.70
Total Borrowings	**4235.46**	**9222.70**
Equity Share Capital	148.91	148.91
Reserves and Surplus	6132.05	2641.32
Equity	**6280.96**	**2790.23**
Debt Equity Ratio	**0.67 : 1**	**3.31 : 1**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2023 and 31st March 2022

Notes to Financial Statements

Note – 38 : Research and Development Costs

Research and Development Expenses of ₹ 3.28 Crore(2022: ₹ 1.46 Crore) of capital expenditure incurred and ₹ 6.44 Crore (2022 ₹ 5.69 Crore) of recurring expenditure have been accounted for in the Statment of Profit and Loss during the year. Detailed break up of total expenditure is as under:

A. Capital Expenses (Property, Plant & Equipment)

₹ in Crore

Asset Block	Gross Block as at 1st Apr 2022	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at 31st Mar 2023	Work-in-Progress as at 1 Apr 2022	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31st Mar 2023	Total Capital Expenditure
1	2	3	4	5	6 = (2+3+4-5)	7	8	9	10 = (7+8-9)	11=(3+8)
Property, Plant & Equipment										
Plant & Equipment	16.40	2.50	-	-	**18.90**	-	-	-	-	**2.50**
Office Equipment	0.81	0.78	-	-	**1.59**	-	-	-	-	**0.78**
Furniture & Fixtures	0.28	-	-	-	**0.28**	-	-	-	-	**-**
Total	**17.49**	**3.28**	**-**	**-**	**20.77**	**-**	**-**	**-**	**-**	**3.28**

B. Recurring Expenses

₹ in Crore

Sl. No	Particulars	31-Mar-23	31-Mar-22
1	Consumption of Stores, Spares & Consumables	0.46	0.57
2	Repairs & Maintenance		
	(a) Plant & Equipment	1.17	0.25
	(b) Others	0.02	-
3	Payment to and Provisions for employees	3.95	4.05
4	Other Expenses	0.85	0.82
	Total	**6.44**	**5.69**

C. Total Research Expenses

₹ in Crore

Particulars	31-Mar-23	31-Mar-22
Capital Expenditure	3.28	1.46
Recurring Expenditure	6.44	5.69
Total	**9.72**	**7.15**

Notes to Financial Statements

Note – 39 : Disclosure Relating to Corporate Social Responsibility (CSR) Expenditure

(₹ in Crore)

Particulars	31-Mar-23	31-Mar-22
Surplus brought forward from previous year	**11.70**	1.96
(i) Gross Amount required to be spent by the company during the year	**-**	-
(ii) Amount of expenditure incurred	**6.04**	9.73
(iii) Shortfall at the end of the year	**-**	-
(iv) Total of previous year shortfall	**-**	-
(v) Reasons for shortfall	**-**	-
(vi) Details of related party transactions	**-**	-
(vii) Movement in the provision during the year	**0.26**	0.11
Surplus carried forward to the Next year	**17.74**	11.70

(₹ in Crore)

Nature of CSR activities	31-Mar-23			31-Mar-22		
	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	0.92	0.22	1.14	7.07	0.09	7.17
Swachh Bharat	0.15	-	0.15	0.25	0.01	0.25
Sports	2.17		2.17			
Education/employment vocational skills	1.86	0.06	1.92	1.99	-	1.99
Administration Expenses, training etc.	0.29	-	0.29	0.25	-	0.25
Other expenses	0.38	-	0.38	0.06	0.01	0.07
Total Expenses (ii)	**5.76**	**0.28**	**6.04**	**9.62**	**0.11**	**9.73**
Grand Total (i) and (ii)	**5.76**	**0.28**	**6.04**	**9.62**	**0.11**	**9.73**

*Provisions made for liabilities incurred

(vii) Movement in the provision during the year:

(₹ in Crore)

Particulars	31-Mar-23	31-Mar-22
Opening Balance	0.11	-
Provided during the year	0.28	0.11
Paid during the year	0.02	-
Closing Balance	**0.37**	**0.11**

Note – 40 : Disclosure on Government Grants

A Revenue Grants

1. Stipend to apprentices under NATS scheme

The company has received grant of ₹ 0.64 Crore (2022: ₹ 0.67 crore) in respect of stipend paid to apprentices registered under National Apprenticeship Training Scheme (NATS) and the same has been accounted on net basis against training expenses.

2. EPCG Grant

Grant recognised in respect of duty waiver on procurement of capital goods under EPCG scheme of Central Government which allows procurement of capital goods including spares for pre production and post production at zero duty subject to an export obligations of 6 times of the duty saved on capital goods procured.The unamortized capital grant amount as on March 31, 2023 is ₹ 12.54 Crore (2022: ₹ 8.29 Crore). The company recognised Nil Crore (2022: ₹ Nil Crore) in the statement of profit & loss account as amortisation of revenue grant. The company expects to meet the export obligations in line with the scheme.

Notes to Financial Statements

Note – 40 : Disclosure on Government Grants (Contd..)

B Capital Grants

1. Capital Grant in respect of interest subsidy

The Company has received capital grant in the form of interest subsidy on loans taken from OIDB. The unamortized capital grant amount as on March 31, 2023 is ₹ 1.32 crore (2022:₹ 4.99 crore). During the year, the company has recognised ₹ 0.86 crore (2022: ₹ 1.67 crore) in the statement of profit and loss as amortisation of capital grants.

Note – 41 : Exposure to Financial Derivatives

Financial and Derivative Instruments:

1 All derivative contracts entered into by the Company are for hedging its foreign currency relating to underlying transactions and firm commitments and not for any speculative or trading purposes.

2 The company has no outstanding forward contract as at 31st March 2023(2022 : NIL)

3 Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2023 is given below:

₹ in Crore

S. No	Particulars	As on 31-Mar-2023 Aggregate amount	As on 31-Mar-2022 Aggregate amount
1	Unhedged- Payables	**4737.41**	5077.78
2	Unhedged- Receivables	**630.14**	579.02

Refer Note - 10A - Offsetting Financial Assets and Financial Liabilities

Note – 42 : Revenue from Contracts with Customers

The Company is in the business of refining crude oil and it earns revenue primarily from sale of petroleum products and others. Revenue is recognized when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. In determining the transaction price for the sale of products, the company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Generally, Company enters into contract with customers for sale on EX-MI basis. Majority of Company's sales are to Oil Marketing Companies and Downstream industries for which credit period is less than 1 year. Direct sales to other customers are generally on cash and carry basis. Revenue is recognised when the goods are delivered to the customer by adjusting the amounts deposited by customers, if any.

Bifurcation of Total Revenue into Revenue from contract with customers and other sources of revenue as per requirement of Ind AS 115 is given below;

₹ in Crore

Particulars	2022-23	2021-22
Total Revenue	90892.43	60468.38
Revenue from contract with customers	90801.11	60402.02
Revenue from other contracts / from others	91.32	66.36

No impairment of losses on receivables has been recognised during the current and previous year.

Notes to Financial Statements

Note – 43 : Ratios

₹ in Crore

Ratios	31-Mar-23	31-Mar-22	Variation	Reasons for variation (> 25%)
(a) Current Ratio,	**1.51**	1.78	-15%	
[Current Assets/ (Current Liabilities-Current Borrowings)]				
(b) Debt-Equity Ratio,	**0.67**	3.31	-80%	Refer Note (i)
[[Non-Current Borrowings+ Current Borrowings}/ Total Equity]				
(c) Debt Service Coverage Ratio	**2.39**	2.43	-1%	-
[Profit after Tax+ Finance Cost (P&L) + Depreciation]/ [Finance Costs (P&L + capitalised) + Lease payment & Principal Repayment (Long Term)]				
(d) Return on Equity Ratio (%)	**77.91%**	63.70%	22%	-
Profit after Tax/Average Total Equity				
(e) Inventory Turnover- in days	**28.63**	37.48	-24%	-
[(Average Inventory / Sales (Net of Discount)] (Net of Excise Duty)				
(f) Trade Receivables Turnover- in days	**1.31**	1.92	-32%	Refer note (ii)
[Average Trade Receivable / [Sales (Net of Discount)] (Net of Excise Duty)				
(g) Trade payables Turnover- in days	**16.55**	21.67	-24%	-
[Average Trade Payable / Purchase of Raw Material + Purchase of Stock-in-Trade + Other Expenses				
(h) Net capital Turnover- in days	**14.13**	23.17	-39%	Refer note (ii)
[Average (Current Assets- (Current Liabilities-Current Borrowings)) / Sales (Net of Discount) (Net of Excise Duty)				
(i) Net profit Ratio (%)	**4.61%**	3.11%	48%	Refer Note (i)
[Profit after Tax/ (Revenue from Operations- Excise Duty))				
(j) Return on Capital Employed (%)	**43.08%**	19.30%	123%	Refer Note (i)
[EBIT/Average (Equity+Total borrowings + Deferred Tax Liabilities)]				
(k) Return on investment (%) - Equity investment in Joint venture	**2.89%**	8.69%	-67%	Refer Note (iii)
[Closing Value of Investment + Dividend during the year - (Opening Value of Investment + Additional Investment during the year) / Opening Value of Investment + (Additional Investment during the year - Dividend during the year)/2]				

Note:

(i) The profitability during the current year is significantly higher resulting from best ever physical performance coupled with robust margins with consequential improvement on the leverage position and profitability ratios.

(ii) Variation mainly on account of increase in Sales due to increase in products and also volatility in prices during the year.

(iii) Mainly due to receipt of higher dividend from our Joint venture , Indian Addtives Limited.

Notes to Financial Statements

Note – 44 : Other Disclosures

1. The 9 MMTPA refinery project at Cauvery Basin Refinery, Nagapattinam was approved by the Board of Directors of Indianoil Corporation, (the holding company) in January 2021 for implementation through a Separate Joint Venture. The Joint Venture Company, Cauvery Basin Refinery and Petrochemicals Ltd (CBRPL). has since been incorporated during the year.

At the year-end on 31st Mar 2023 an amount of Rs.867.87 Cr and Rs.11.06 Cr, (2022: Rs. 618.46 Cr and Rs. 25.06 Cr) being the actual expenditure and the associated liabilities on the project, which has been considered as Asset/ Liability included in disposal group held for Transfer respectively. This group consists of CWIP, Intangible assets under development, advances for capital expenditure, construction period expenses and liability for capital expenditure amounting to Rs.384.31 Cr (2022: Rs.253.83 Cr), Rs.282.83 Cr (2022: Rs. 259.36 Cr), Rs 20.08 Cr (2022: Rs. 0.24 Cr), Rs 180.65 Cr (2022: Rs 105.03 Cr) and Rs 11.06 Cr (2022: Rs. 25.06 Cr) respectively as at 31st March 2023. The capital commitment as at 31st March 2023 for this group is Rs. 1805.72 Cr (2022: Rs.1545.31 Cr) in respect of this project.

As per Joint Venture agreement entered between CPCL, IOCL and other seed investors on 22nd Nov 2022, the expenditure incurred by CPCL on behalf of the Joint Venture shall be considered as CPCL's contribution towards share capital or Quasi-Equity Instruments or as may be decided later as permissible by Applicable law.

The Company is in the process of obtaining necessary approvals from the Administrative Ministry. Upon the receipt of requisite approval, the assets included in the disposal group held for transfer shall be dealt with accordingly.

Cauvery Basin Refinery (CBR) having capacity to process 1 MMTPA crude oil was situated on 618 acres of freehold land in Nagapattinam. The refinery was operated till 2018-19. The Company along with its parent company viz. Indian Oil Corporation Limited and other seed investors viz ICICI Bank Limited, Axis Bank Limited, ICICI Prudential Life Insurance Company Limited, HDFC Life Insurance Company Limited and SBI Life Insurance Company Limited commenced the implementation of a grass root 9 MMTPA Refinery (Project) on the said land. A Joint Venture Company namely Cauvery Basin Refinery and Petrochemicals Limited (CBRPL) was incorporated in January 2023 for implementation and execution of the project.

The new refinery is being set up at the same location in Nagapattinam utilizing CPCL's land besides additional land being acquired for the project.

618 acres of freehold (carrying value: Rs.10.67 Crore) is being used for the project which will be implemented and executed by a separate Joint Venture Company (CBRPL).

The arrangement (sale, lease or any other arrangement) under which the project of CBRPL is being established in the land is yet to be decided by the company as it requires prior sanction of the Government of Tamil Nadu.

2. The Company has refineries at two locations viz., Manali and Nagapattinam (Cauvery Basin Refinery - CBR). The operations of the CBR unit have been stopped from 01.04.2019. Accordingly, the value in use was negative and, the recoverable value of the assets was reviewed and it was estimated that there would not be any recoverable value for the same and impairment loss was recognised.

Some of the Assets to the extent of gross block of Rs. 17.09 crore and accumulated Depreciation of Rs. 11.00 crore in respect of which impairment to the extent of Rs. 6.09 crore was provided, has been dismantled and scrapped during the year. Impairment provision of Rs. 93.66 crore is continued in respect of the balance Assets.

3. The Government of India w.e.f. 01.07.2022, levied Duties on Export of Petroleum products at the rates notified on fortnightly basis, which have been reckoned in the Refinery Transfer Pricing. This has resulted in lower revenue realisations with significant impact on the profitability for and upto the quarter.

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.

Notes to Financial Statements

Note – 44 : Other Disclosures (Contd..)

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

(b) The company has valid title for all immovable properties. However, in respect of 186.93 acres of land allotted by Government of Tamil Nadu (classified as Poramboke) assignment deed is yet to be received. Out of this, value is to be determined by Government of Tamilnadu in respect of 135.93 acres.

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

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

7. There are no other significant subsequent events that require adjustments or disclosures in the financial statements as at balance sheet date, other than those disclosed above.

8 Other disclosures as required under Schedule III to the Companies Act, 2013

(i) Title deeds of Immovable properties not held in the name of company

Relevant item in Balance sheet	Gross carrying value (Rs. In Crore)		Acres	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Under Dispute (Yes/ No)	Reason for not being held in the name of the company
	31.03.2023	31.03.2022						
PPE - Freehold Land	Nil	Nil	40.69 acres	CPCL*	Not applicable	26.04.1990	No	The Tamilnadu Government has allotted the land for which permission to enter upon the land dated 26.04.1990 is available. However assignment deed is not yet executed.
PPE - Freehold Land	0.18	0.18	50.93 acres	CPCL*	Not applicable	31.05.1984	No	GO No. 605 dt 31.05.1984 directs to handover the possession of property to Company. However, assignment deed is not yet executed.
PPE - Freehold Land	Nil	Nil	94.39 acres	CPCL*	Not applicable	03.12.2001 & 20.02.2009	No	The Tamilnadu Government has allotted the land for which permission to enter upon the land dated 03.12.2001 & 20.02.2009 is available. However, assignment deed is not yet executed.

* Subject to reasons mentioned

Notes to Financial Statements

Note – 44 : Other Disclosures (Contd..)

(ii) The company has following transactions/balances with companies, struck off under Section 248 of the Companies Act, 2013 /Section 560 of Companies Act, 1956.

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at current period Rs in Crore	Relationship with the struck off company	Balance outstanding as at previous period Rs in Crore	Relationship with the struck off company
Argus media	Trade payables	0.000	Not a related party	0.000	Not a related party
Skpei engineering works private ltd	Trade payables	0.003		0.003	
Aspen technology inc.	Trade payables	0.000		0.000	
Arun tech indt services pvt ltd	Trade payables	0.000		0.005	
Mcog engg and fabrication pvt ltd	Trade payables	0.000		0.000	
Polycab wires & cables pvt ltd	Trade payables	0.000		0.000	
Alliance aviation private limited	Trade payables	0.000		0.000	
The national sugar mills ltd	Customer Advances	0.009		0.004	
Sri anjaneya agro tech private limited	Customer Advances	0.000		0.000	
Total		**0.012**		**0.012**	

9. Previous year's comparative figures have been regrouped, reclassified and recast wherever necessary and the related disclosures are included in the respective notes.

As per our attached Report of even date

For G.M.Kapadia & Co.
Chartered Accountants
(FRN: 104767W)

for and on behalf of Board of Directors

Satya Ranjan Dhall
Partner
Membership No. 214046

(Arvind Kumar)
Managing Director
DIN - 09224177

(Rohit Kumar Agrawala)
Director (Finance)
DIN - 10048961

(P.Shankar)
Company Secretary
ACS -7624

Place : Chennai
Date : 27-Apr-2023

Independent Auditor's Report

To
The Members of Chennai Petroleum Corporation Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Chennai Petroleum Corporation Limited** (hereinafter referred to as "the Parent"), its Joint ventures which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "the Consolidated Financial Statements'').

In our opinion and to the best of our information and according to the explanations given to us and based on the considerations of the reports of other auditors with respect to joint ventures and unaudited financial information submitted by the management with respect to the associate, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Parent and its joint ventures and its associate as at March 31, 2023 and their consolidated profit, their consolidated total comprehensive income, their consolidated statement of changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Parent ,its joint ventures and associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statement

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be key audit matters:

Sr. No.	Key Audit Matter	How the scope of our audit responded the Key audit matter
1.	**Measurement of Inventories (excluding stores and spares)**	
	a) As at March 31, 2023 the value of Inventory is Rs. 5973.59 Crore. This constitutes significant percentage (37.25 %) of the total assets of the Company. b) Inventory comprises of Raw Materials, Finished Goods, Stock in process and Stores and Spares. c) Crude is the main raw material for the Company, which are both imported and are also procured in the domestic market. d) Pricing of the crude depends upon the international crude quote and any fluctuation in the crude price have an impact on the pricing of the finished goods. e) The net realization price is determined for the crude and also for the finished goods based on the subsequent periods quoted price of crude and finished goods as determined internationally. As stated above, considering the significance of the value of the inventory and also price determination requires estimations and judgment about depending on the international market, it is considered as a key audit matter.	a) We have understood the process of the determination of the price of both for the crude and the finished goods. b) We have evaluated the system of inventory monitoring and its control on a day-to-day basis and also physical verification carried out by the management as on March 31, 2023. c) We have physically verified the certain crude tanks and product tanks and also other stores and spares items at the yearend along with the technical team. d) Goods in transit has been verified based on the purchase order raised and the other related documents in its regard. e) In addition to that we have also carried out alternate audit procedures to identify the availability of the inventory at the year end. f) We have also reviewed the workings relating to net realizable value of the subsequent period which depends on fixation of refinery transfer pricing (RTP) based on the international quotes. g) Further we reviewed the write down in the value of inventory along with the realizable value and reason for the same.

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>How the scope of our audit responded the Key audit matter</th></tr>
<tr><td>2.</td><td>Provisions and Contingent Liabilities
a) Contingent liabilities disclosed are in respect of items which in each case are above the threshold limit.
b) The assessment of the existence of the present legal or constructive obligation and analysis of the probability of the related payment require the management to make judgment and estimates in relation to the issues of each matter.
c) Considering that the above matter involves judgment and estimation, it is considered as key audit matter</td><td>a) We examined on test check basis the determination of the contingent liability by the management.
b) We obtained all the necessary records for our review and enquired with the personnel of legal department with respect to the pending matters and understood the basis of determination of probable /possible obligation.
c) We also reviewed the necessary legal records and also reviewed the opinion provided by the experts/ counsels/ previous legal precedents available to understand the same on its conclusion.
d) We have relied on the opinions of the company where company has considered that the possibility of cash outflow is remote.
We have assessed the appropriateness of provisioning based on assumptions made by the management and presentation of the significant contingent liability in the financial statements.</td></tr>
</table>

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Parent's management and the Board of Directors is responsible for the other information. The other Information comprises the information included in the Annual Report, but does not include the consolidated and standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this report. Our opinion on the Consolidated Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the balance part of Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Those Charged with Governance and take necessary actions as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to preparation and presentation of the Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Parent and its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act, read with the rules made thereunder and the relevant provisions of the Act.

The respective Board of Directors of the Parent, its joint ventures and associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Parent, its joint ventures and associate 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Management and Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Statements, the respective board of directors of the Parent, its joint ventures and associate are responsible for assessing the ability of the Parent, its joint ventures and associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the parent, its joint ventures and associate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Parent, its joint ventures and associate are responsible for overseeing the financial reporting process of the Parent its joint ventures and associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Parent, its joint ventures and associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent, its joint ventures and associate to cease to continue as a going concern

e) Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Parent, its joint ventures and associate to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

The consolidated financial statements includes the joint ventures share of net profit of Rs. 5.66 Crore and total comprehensive income of Rs. 5.56 Crore for the year ended 31st March, 2023, as considered in the consolidated financial statements, in respect of two joint ventures, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures, and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid joint ventures, is based solely on the reports of the other auditors.

Apart from the above, the consolidated financial statement also includes share of net profit after tax of Rs. Nil Crore for the period ended March 31, 2023 and total comprehensive income of Rs. Nil Crore for the period ended March 31, 2023 respectively, as considered in the Statement, in respect of an associate, whose financial information has not been audited/reviewed by us. The aforesaid financial information is unaudited and has been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on such unaudited financial information. According to the information and explanation given to us by the management of the parent, such standalone financial statement of associate is not material to the Parent.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of joint ventures, 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 purpose of our audit of the aforesaid Consolidated Financial Statements;

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    (c) The Consolidated balance sheet, the Consolidated Statement of Profit and Loss (including other Comprehensive loss), the Consolidated Statement of Changes in Equity, and the Consolidated statement of Cash Flows 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 Ind AS specified under Section 133 of the Act read with the relevant rules issued there under and relevant provisions of the Act;

    (e) As per notification no. G.S.R 463(E) dated June 5, 2015, the Government Companies are exempted from the provisions of section 164(2) of the Act, accordingly, we are not required to report whether any of the directors of the Parent is disqualified in terms of provisions contained in the said section;

    On the basis of the report of the statutory auditors of the joint ventures none of the directors of the joint ventures are disqualified as on 31st March, 2023 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 with reference to Financial Statements of the Parent and its joint ventures incorporated in India and the operating effectiveness of such controls, we give our separate report in '**Annexure B**'.

    (g) The Company, being a Government Company, the provisions of section 197 are not applicable to the Company as per the notification of MCA in G.S.R. 463(E) dated 5th June 2015, and therefore the reporting requirement under section 197(16) does not arise.

    On the basis of the report of the statutory auditors of one of the joint venture the company has paid managerial remuneration an amount of Rs. 1.41 Crore (including retirement benefits) to the managing director, which is more than the limits laid down under section 197 read with schedule V of the Companies Act and we are informed that the company is obtaining approval from the shareholders in the forthcoming General meeting for the same.

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, 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 other auditors of the joint ventures, as noted in the 'Other matter' paragraph:

i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Parent and its Joint ventures. Refer Note 33B to the Consolidated Financial Statements;

ii. The Parent Company has made provision, as required under the applicable law or accounting standards for material foreseeable losses, if any, on long-term contracts including derivative contracts;

With respect to joint ventures, the entity does not have any long term contracts including derivative contracts for which there were any material foreseeable losses

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its joint ventures. Hence the question of reporting delay in depositing dues does not arise.

iv. a) The respective managements of the Parent and its Joint ventures whose financial statements have been audited under the Act have represented to us and the other auditors of such joint ventures respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or its joint ventures to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or its joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Parent and its joint ventures whose financial statements have been audited under the Act have represented to us and the other auditors of such joint ventures respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Parent or its joint ventures from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent and its joint ventures shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our or other auditor's notice that has caused us to believe that above representations under sub-clause iv (a) and iv(b) contain any material mis-statement.

v. The final dividend proposed during the previous year and paid by the parent and its one of the joint ventures during the year is in accordance with the section 123 to the extent it applies to payment of dividend.

As stated in Note 29 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of members at the ensuing annual general meeting. The dividend proposed is in accordance with provisions of Section 123 of the Act to the extent it applies to declaration of dividend.

With respect to one of the joint venture, it has not declared any dividend during the current year and hence the question of complying with Section 123 of the Act while declaring dividend is not applicable.

vi. As proviso to rule 3(1) of the Companies (Accounts) Rule, 2014 is applicable for the Company only with effect from April 1, 2023, reporting under this clause is not applicable.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order" / "CARO") issued by the Central Government in terms of section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by the auditor of its joint ventures included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, provided to us by the Management of the Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that the auditors of such companies have reported qualifications or adverse remarks in their CARO reports as referred in '**Annexure A**'.

For G.M. Kapadia & Co.
Chartered Accountants
Firm Registration No.104767W

Satya Ranjan Dhall
Partner
Membership No. 214046
UDIN: 23214046BGQJTE7341

Place: Chennai
Dated this 27th of April 2023

Annexure 'A' to the Independent Auditor's Report:

Referred to paragraph 2 under the heading "Report on other legal and regulatory requirements" of our Independent Auditor's report of even date, to the members of **Chennai Petroleum Corporation Limited ("the Parent")** on the Consolidated Financial Statements for the year ended March 31, 2023

In terms of the information and explanations sought by us and given by the Parent the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, and based on the consideration of reports of auditors in respect of joint ventures, we state that the adverse remarks by one of the joint venture's auditor in their report on Companies (Auditor's Report) Order, 2020 of the companies included in the Consolidated Financial Statements are:

S. No	Name	CIN	Holding Company/ Subsidiary/Associate/Joint venture	Clause number of CARO report which is adverse
1	National Aromatics and Petrochemicals Corporation Limited	U11101TN1989PLC017403	Joint Venture	Clause i(B)(c), Clause xvii and Clause xix

Annexure 'B' to the Independent Auditor's Report:

Referred to paragraph 1(f) under 'Report on other Legal and Regulatory Requirements' of our Independent Auditor's report of even date, to the Members of Chennai Petroleum Corporation Limited ("the Parent") on the Consolidated financial statements for the year ended March 31, 2023

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

Opinion

In conjunction with our audit of Consolidated Financial Statements of the Company, as of and for the year ended March 31, 2023, we have audited the Internal Financial Controls with reference to financial statements of **Chennai Petroleum Corporation Limited** ('the Parent'), its Joint ventures, which are incorporated in India as of that date.

In our opinion the Parent and its Joint ventures, which are incorporated in India, have in all material respects, an adequate internal financial control systems with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal controls with reference to financial statements criteria established by the Parent and its Joint venture as aforesaid, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI').

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its Joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Parent and its Joint ventures, considering the essential components of internal control stated in the Guidance Note. 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 the 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Internal financial controls with reference to financial statements of the Parent and its Joint ventures which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance note and the Standards on Auditing specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal financial controls system with reference to financial statements and their operating effectiveness.

Our audit of Internal financial controls with reference to financial statements included obtaining an understanding of Internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Parent's internal financial control system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A Company's Internal financial controls with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal financial controls with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of Internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other matter

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to Standalone financial statements of two joint ventures, which are incorporated in India, is based on the corresponding report of the auditor of such Company incorporated in India.

For G.M. Kapadia & Co.
Chartered Accountants
Firm Registration No.104767W

Place: Chennai
Dated this 27th of April 2023

Satya Ranjan Dhall
Partner
Membership No. 214046
UDIN: 23214046BGQJTE7341

Consolidated Balance Sheet

as at 31st March 2023

₹ in Crore

Particulars	Note No.	As at 31-Mar-23	As at 31-Mar-22
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	7596.08	6924.17
(b) Capital work-in-progress	2.1	331.43	1209.55
(c) Intangible assets	3	40.47	42.46
(d) Intangible assets under development	3.1	-	-
(e) Financial Assets			
(i) Investments			
- Equity Investment in Joint Ventures	4	205.96	208.33
- Other Investments	4.1	0.11	0.11
(ii) Loans	5	91.55	60.58
(iii) Other Financial Assets	6	1.00	1.45
(f) Income tax assets (Net)	7	10.26	71.45
(g) Other non-current assets	8	91.13	82.73
		8367.99	8600.83
(2) Current assets			
(a) Inventories	9	5973.59	7532.62
(b) Financial Assets			
(i) Trade receivables	10	298.67	252.32
(ii) Cash and cash equivalents	11	1.23	8.33
(iii) Bank balances other than (ii) above	12	7.41	3.67
(iv) Loans	5	12.86	10.97
(v) Other Financial Assets	6	85.16	76.10
(c) Other current assets	8	421.33	377.18
		6800.25	8261.19
(3) Assets included in disposal group held for transfer	44.1	867.87	618.46
TOTAL ASSETS		**16036.11**	**17480.48**
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	13	148.91	148.91
(b) Other Equity	14	6326.17	2837.82
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	2159.19	2391.55
(ia) Lease Liabilities		18.28	11.16
(ii) Other financial liabilities	16	6.48	6.60
(b) Provisions	17	9.04	9.58
(c) Deferred tax liabilities (Net)	7	764.58	563.09
(d) Other non-current liabilities	18	20.40	19.04
		2977.97	3001.02
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	2076.27	6831.15
(ia) Lease liabilities		5.86	4.47
(ii) Trade payables	20		
-Total outstanding dues of micro and small enterprises		5.30	6.79
-Total outstanding dues of creditors other than micro and small enterprises		3001.81	3233.27
(iii) Other financial liabilities	16	526.37	523.22
(b) Other current liabilities	18	431.79	534.31
(c) Provisions	17	524.60	334.46
		6572.00	11467.67
(3) Liability included in disposal group held for transfer	44.1	11.06	25.06
TOTAL EQUITY AND LIABILTIES		**16036.11**	**17480.48**
Significant Accounting Policies, Estimates & Judgements	1A & 1B		
See accompanying notes to the financial statements	2-45		

As per our attached Report of even date

For G.M.Kapadia & Co.
Chartered Accountants
(FRN: 104767W)

for and on behalf of Board of Directors

Satya Ranjan Dhall
Partner
Membership No. 214046

(Arvind Kumar)
Managing Director
DIN - 09224177

(Rohit Kumar Agrawala)
Director (Finance)
DIN - 10048961

(P.Shankar)
Company Secretary
ACS -7624

Place : Chennai
Date : 27-Apr-2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

₹ in Crore

	Particulars	Note No.		For the Year ended 31-Mar-23		For the Year ended 31-Mar-22
I.	**Revenue from operations**	21		90908.27		60474.29
II.	**Other income**	22		7.19		10.31
III.	**Total Income (I + II)**			**90915.46**		**60484.60**
IV.	**Expenses:**					
	Cost of materials consumed	23		67188.78		40045.25
	Purchase of Stock-in-Trade			375.89		47.72
	Changes in Inventories (Finished Goods and Work-In Progress)	24		978.65		(1227.35)
	Excise Duty			14173.57		17098.91
	Employee benefits expense	25		556.30		547.83
	Finance costs	26		330.18		412.44
	Depreciation and Amortisation expense on:					
	a) Tangible Assets	2	570.06		500.46	
	b) Intangible Assets	3	3.40		3.43	
				573.46		503.89
	Impairment losses / (gain)			-		(0.37)
	Other expenses	27		1937.87		1230.62
	Total Expenses (IV)			**86114.70**		**58658.94**
V	**Profit before Exceptional items and tax (III - IV)**			4800.76		1825.66
VI	**Share of Profit of Joint Ventures**			5.66		15.59
VII	**Exceptional Items**			-		-
VIII	**Profit before tax (V + VI + VII)**			**4806.42**		**1841.25**
IX	**Tax expense:**	7				
	(1) Current tax [Includes (15.02) Crore (2022: ₹ 37.27 Crore relating to prior years]			1068.58		37.27
	(2) Deferred tax			206.31		451.95
	[Includes Nil (2022: Nil Crore) relating to prior years]					
X	**Profit for the year from continuing operations (VIII - IX)**			**3531.53**		**1352.03**
XI	Profit/(loss) from discontinued operations			-		-
XII	Tax expense of discontinued operations			-		-
XIII	**Profit from Discontinued operations(after tax) (XI - XII)**			-		-
XIV	**Profit for the year (X + XIII)**			**3531.53**		**1352.03**
XV	**Other Comprehensive Income**	28				
A.	(i) Items that will not be reclassified to profit or loss			(18.26)		31.19
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	7		4.86		(7.69)
XVI	**Total Comprehensive Income for the year (XIV + XV) (Comprising Profit and Other Comprehensive Income for the year)**			**3518.13**		**1375.53**
XVII	**Earning per equity share:**					
	(1) Basic (₹)	30		237.16		90.80
	(2) Diluted (₹)			237.16		90.80
	Significant Accounting Policies, Estimates & Judgements	1A & 1B				
	See accompanying notes to the financial statements	2-45				

As per our attached Report of even date

For G.M.Kapadia & Co.
Chartered Accountants
(FRN: 104767W)

for and on behalf of Board of Directors

Satya Ranjan Dhall
Partner
Membership No. 214046

(Arvind Kumar)
Managing Director
DIN - 09224177

(Rohit Kumar Agrawala)
Director (Finance)
DIN - 10048961

(P.Shankar)
Company Secretary
ACS -7624

Place : Chennai
Date : 27-Apr-2023

Consolidated Statement of Changes In Equity

for the year ended March 31, 2023

(a) Equity Share Capital

₹ in Crore

	No of Equity shares of ₹ 10 each issued, subscribed and fully paid	Subscribed, called-up and paid-up share capital	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of reporting period	Changes in equity capital during the year	Total paid-up equity share capital balance at the end of the reporting period
At 31 March 2022	148911400	148.91	-	148.91	-	148.91
At 31 March 2023	**148911400**	**148.91**	**-**	**148.91**	**-**	**148.91**

(b) Other equity

₹ in Crore

	Reserve and Surplus						Total
	Securities Premium	Insurance Reserve	Capital Redemption reserve	Capital reserve	Retained earnings	General reserve	
At 01 April 2022	250.04	-	700.00	0.09	(1669.76)	3557.45	**2837.82**
Changes in accounting policy or prior period errors	-		-	-	-	-	**-**
Restated balance at 01 April 2022	250.04		700.00	0.09	(1669.76)	3557.45	**2837.82**
Profit for the Year	-	-	-	-	3531.53	-	**3531.53**
Other comprehensive income Remeasurement of gain or loss on defined benefit plan	-	-	-	-	-	(13.40)	**(13.40)**
Total comprehensive income	**-**	**-**	**-**	**-**	**3531.53**	**(13.40)**	**3518.13**
Transfer to Retained Earnings	-	-	-	-	-	-	-
Transfer to Capital Redemption Reserve	-	-	300.00	-	(300.00)	-	-
Transfer to insurance reserve		15.00		-	(15.00)		-
Dividend	-	-	-	-	-	(29.78)	(29.78)
Transfer to General Reserve	-	-	-	-	(950.47)	950.47	-
At 31 March 2023	**250.04**	**15.00**	**1000.00**	**0.09**	**596.30**	**4464.74**	**6326.17**

₹ in Crore

	Reserve and Surplus						Total
	Securities Premium	Insurance Reserve	Capital Redemption reserve	Capital reserve	Retained earnings	General reserve	
At 01 April 2021	250.04	-	600.00	0.09	(2921.79)	3533.95	1462.29
Changes in accounting policy or prior period errors	-		-	-	-	-	-
Restated balance at 01 April 2021	250.04		600.00	0.09	(2921.79)	3533.95	1462.29
Profit for the Year	-	-	-	-	1352.03	-	1352.03
Other comprehensive income Remeasurement of gain or loss on defined benefit plan	-	-	-	-	-	23.50	23.50
Total comprehensive income	**-**	**-**	**-**	**-**	**1352.03**	**23.50**	**1375.53**
Transfer to Retained Earnings	-	-	-	-	-	-	-
Transfer to Capital Redemption Reserve	-	-	100.00	-	(100.00)	-	-
Dividend	-	-	-	-	-	-	-
At 31 March 2022	**250.04**	**-**	**700.00**	**0.09**	**(1669.76)**	**3557.45**	**2837.82**

As per our attached Report of even date

For G.M.Kapadia & Co.
Chartered Accountants
(FRN: 104767W)

for and on behalf of Board of Directors

Satya Ranjan Dhall
Partner
Membership No. 214046

(Arvind Kumar)
Managing Director
DIN - 09224177

(Rohit Kumar Agrawala)
Director (Finance)
DIN - 10048961

(P.Shankar)
Company Secretary
ACS -7624

Place : Chennai
Date : 27-Apr-2023

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

₹ in Crore

	Particulars	For the Year ended 31-Mar-23	For the Year ended 31-Mar-22
A	Cash Flow from Operating Activities		
1	**Profit Before Tax**	4806.42	1841.25
2	**Adjustments for :**		
	Depreciation of property, plant and equipment	570.06	500.46
	Impairment losses / (gain)	-	(0.37)
	Loss/(gain) on disposal of property, plant and equipments (net)	9.64	12.10
	Amortisation on intangible assets	3.40	3.43
	Amortisation of Government Grants	(0.86)	(1.67)
	Net Exchange Differences	(15.27)	8.42
	Provision for Capital work-in-progress / Doubtful Debts written back	(1.51)	-
	Provision for Doubtful Debts, Advances and Claims	0.14	-
	Remeasurement of Defined Benefit Plans	(18.12)	30.85
	Provision for Stores (net)	0.27	2.78
	Finance income	(7.19)	(17.73)
	Finance costs	330.18	404.02
	Share of Joint Ventures	(5.66)	(15.59)
3	**Operating Profit before Working Capital Changes (1+2)**	**5671.50**	**2767.95**
4	**Change in Working Capital:**		
	(Excluding Cash & Cash equivalents)		
	Trade Receivables & Other receivables	(393.66)	(207.34)
	Inventories	1558.77	(3026.43)
	Trade and Other Payables	(269.86)	1241.36
	Provisions	189.60	270.72
	Change in Working Capital	**1084.85**	**(1721.69)**
5	**Cash Generated From Operations (3+4)**	**6756.34**	**1046.26**
6	**Less : Taxes paid**	1007.39	20.39
7	**Net Cash Flow from Operating Activities (5-6)**	**5748.95**	**1025.87**
B	Cash Flow from Investing Activities:		
	Proceeds from sale of Property, plant and equipment / Transfer of Assets	0.13	0.17
	Purchase of Property, plant and equipment	(417.75)	(699.67)
	Interest received (Finance Income)	7.19	17.73
	Dividend Income	7.93	5.92
	Investments	(0.01)	-
	Net Cash Generated/(Used) in Investing Activities:	**(402.51)**	**(675.85)**
C	Net Cash Flow From Financing Activities:		
	Proceeds from Long-Term Borrowings	-	775.00
	Repayments of Long-Term Borrowings (Including lease liability)	(1478.42)	(468.01)
	Proceeds from/(Repayments of) Short-Term Borrowings	(3410.16)	(313.17)
	Interest paid	(435.19)	(336.66)
	Dividends paid	(29.78)	-
	Net Cash Generated/(Used) from Financing Activities:	**(5353.55)**	**(342.84)**

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

₹ in Crore

	Particulars	For the Year ended 31-Mar-23	For the Year ended 31-Mar-22
D	Net Change in Cash & cash equivalents (A+B+C)	**(7.10)**	**7.18**
E-1	Cash & cash equivalents as at end of the year	1.23	8.33
E-2	Cash & cash equivalents as at beginning of the year	8.33	1.15
	NET CHANGE IN CASH & CASH EQUIVALENTS (E 1- E 2)	**(7.10)**	**7.18**

Notes:

1. Cash Flow Statement is prepared using Indirect method as per Indian Accounting Standard -7 Cash Flow Statement.

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

₹ in Crore

Financial Liabilities	As at 31.03.2022	Cash Flow	Non-cash Changes			As at 31.03.2023
			Lease Liability	Interest Accrued but not due	Foreign exchange movement	
Borrowings (Including lease liabilities)	9238.33	(5093.77)	16.94	98.10	-	4259.60

Financial Liabilities	As at 31.03.2021	Cash Flow	Non-cash Changes			As at 31.03.2022
			Lease Liability	Interest Accrued but not due	Foreign exchange movement	
Borrowings (Including lease liabilities)	9166.96	1.41	4.00	65.96	-	9238.33

As per our attached Report of even date

For G.M.Kapadia & Co.
Chartered Accountants
(FRN: 104767W)

for and on behalf of Board of Directors

Satya Ranjan Dhall
Partner
Membership No. 214046

(Arvind Kumar)
Managing Director
DIN - 09224177

(Rohit Kumar Agrawala)
Director (Finance)
DIN - 10048961

(P.Shankar)
Company Secretary
ACS -7624

Place : Chennai
Date : 27-Apr-2023

Notes to Financial Statements

Note-1A Corporate Information and Significant Accounting Policies

Corporate Information

The consolidated financial statements of "Chennai Petroleum Corporation Limited" ("the Group" or "CPCL") are for the year ended 31st March, 2023.

CPCL is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on Bombay Stock exchange and National Stock Exchange in India. The registered office of the Company is located at 536, Anna Salai, Teynampet, Chennai- 600018. (CIN – L40101TN1965GOI005389).

CPCL together with its joint ventures and associates is hereinafter referred to as Group.

The Group is in the business of refining crude oil to produce & supply various petroleum products, manufacture and sale of lubricating oil additives.

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

The Consolidated financial statements have been approved for issue in accordance with a resolution of the Board of directors on 27th April, 2023.

Significant Accounting Policies

1. Basis of Preparation/Consolidated

1.1. The financial statements have been prepared in accordance with the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules and other relevant provisions of the Act and Rules thereunder, as amended from time to time.

The consolidated financial statements have been prepared on historical cost convention, accrual and going concern basis except where Ind AS requires a different accounting treatment like fair value / amortized cost / present value / Realizable value. These accounting policies have been applied consistently over all periods presented in these financial statements.

The consolidated financial statements are presented in Indian Rupees (INR) which is Company's presentation and functional currency and all values are rounded to the nearest Crore (up to two decimals) except when otherwise indicated.

1.2. BASIS OF CONSOLIDATION

1.2.1. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the entities.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity then discontinues recognising its share of

Notes to Financial Statements

further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

1.2.2. Interest in Joint operations

For the interest in joint operations, the Group recognises:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Share of the revenue from the sale of the output by the joint operation
- Expenses, including its share of any expenses incurred jointly

2. Property, Plant and Equipment and Intangible Assets

2.1. Property, Plant and Equipment (PPE)

2.1.1. Property, Plant & Equipment (PPE) comprises of tangible assets and Capital Work in progress. PPE are stated at cost, less any accumulated depreciation and accumulated impairment losses, if any. (except freehold lands which are carried at historical cost). The cost of an item of PPE comprises its purchase price, construction cost, including applicable taxes (net of credits) after deducting any discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located. These costs are capitalized until the asset is ready for use and includes borrowing cost capitalized in accordance with the Group's accounting policy.

2.1.2. The cost of an item of PPE is recognized as an asset if, and only if:

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

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

In accordance with the above criteria, subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate.

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

2.1.4. Spare parts are capitalized when they meet the definition of PPE, i.e., when the Group intends to use these for a period exceeding 12 months.

2.1.5. The acquisition of some items of PPE although not, directly increasing the future economic benefits of any particular existing item of PPE, may be necessary for the Group to obtain the future economic benefits from its other assets. Such items of PPE, are recognized as assets.

Notes to Financial Statements

2.1.6. On transition to Ind AS, the Group has elected to continue with the carrying value of all of its PPE recognised as at 1stApril 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the PPE.

2.2. Capital Work in Progress (CWIP)

A. Construction Period Expenses:

2.2.1. Revenue expenses exclusively attributable to projects incurred during construction period are capitalized. However, such expenses in respect of capital facilities being executed along with the production/operations simultaneously and where the expenses are not attributable exclusively are charged to revenue.

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

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

B. Capital Stores

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

2.3. Intangible Assets & Amortisation

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

2.3.2. Cost incurred on computer software/licenses purchased resulting in future economic benefits, other than specific software that are integral part of the related hardware, are capitalised as Intangible Asset and amortised over a period of three years beginning from the month in which such software / licenses are capitalised. However, where such computer software / license is under development or is not yet ready for use, accumulated cost incurred on such items are accounted as “Intangible Assets Under Development”.

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

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

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.

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

2.3.7. Amortization is charged pro-rata on monthly basis on assets, from/upto the month of capitalization/ sale, disposal/ or earmarked for disposal.

2.4. Depreciation

2.4.1. Cost of PPE (net of residual value) excluding freehold land is depreciated on straight-line method as per the useful life prescribed in Schedule II to the Act, except in case of the following assets:

a) Useful life of 25 years for solar power plant considered based on technical assessment

Notes to Financial Statements

b) In case of specific agreements e.g. enabling assets etc., useful life as per agreement or Schedule II, whichever is lower

c) In case of immovable assets constructed on leasehold land, useful life as per Schedule-II to the Act or lease period of land (including renewable period/ likely renewable period), whichever is lower

d) In other cases like Spare Parts etc., useful life is considered based on the technical assessment (2-30 years).

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

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

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

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

2.5. Derecognition

2.5.1. PPE and Intangible Assets are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE or Intangible Asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

3. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.1. Leases as Lessee (Assets taken on lease)

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

3.1.1. Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, except for leases where the Group has elected to use practical expedient not to separate non-lease payments from the calculation of the lease liability and ROU asset where the entire consideration is treated as lease component.

3.1.2. Right-of-use Assets

The Group recognises right-of-use (ROU) assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost

Notes to Financial Statements

of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of use assets are subject to impairment. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset as per 2.4 above.

3.1.3. Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a re-measurement of the lease liability with a corresponding adjustment to the ROU asset. Any gain or loss on modification is recognized in the Statement of Profit and Loss. However, the modifications that increase the scope of the lease by adding the right to use one or more underlying assets at a price commensurate with the stand-alone selling price are accounted for as a separate new lease. In case of lease modifications, discounting rates used for measurement of lease liability and ROU assets is also suitably adjusted.

3.1.4. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of Property, Plant and Equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

3.2. Leases as Lessor (assets given on lease)

3.2.1. When the Group acts as lessor, it determines at the commencement of the lease whether it is a finance lease or an operating lease.

3.2.2. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern of the benefit derived from the asset given on lease.

3.2.3. All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Principal component of the lease receipts is adjusted against outstanding receivables and interest income is accounted by applying the interest rate implicit in the lease to the net investment. If an arrangement contains lease and non-lease components, the Group applies principles enunciated in Ind AS 115 "Revenue from Contracts with Customers ", to allocate the consideration in the contract.

3.2.4. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Group applies the short term lease exemption described above, then it classifies the sub-lease as an operating lease.

4. Impairment of Non-Financial Assets

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

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These

Notes to Financial Statements

budgets and forecast calculations generally cover a period of 15 years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifteenth year. To estimate cash flow projections beyond periods covered by the most recent budgets / forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

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

5. Borrowing Costs

Borrowing cost consists of interest and other cost incurred in connection with the borrowing of funds. Borrowing costs that are attributable to the acquisition or construction of the qualifying asset are capitalized as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Capitalisation of borrowing costs is suspended when active development activity on the qualifying assets is interrupted other than on temporary basis and charged to the Statement of Profit and Loss during such extended periods. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which the same are incurred.

6. Foreign Currency Transactions

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

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

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

6.4. Non-monetary items denominated in foreign currency, (such as PPE, intangible assets, investments, capital / revenue advances other than expected to be settled in cash etc.) are recorded at the exchange rate prevailing on the date of the transaction, other than those measured at fair value.

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

7. Inventories

7.1. Raw Materials & Stock-in-Process

7.1.1. Raw materials including crude oil are valued at cost determined on weighted average basis and net realizable value, whichever is lower.

7.1.2. Stock in Process is valued at raw materials cost plus fifty percent conversion costs as applicable and net realizable value, whichever is lower.

7.1.3. Crude oil in Transit is valued at cost and net realizable value, whichever is lower.

7.1.4. Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

7.2. Finished Products and Stock-in-Trade

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

7.2.2. Imported products in transit are valued at cost or net realisable value whichever is lower.

7.3. Stores and Spares

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

7.3.2. In case of declared surplus/obsolete stores and spares, provision is made for likely loss on sale/ disposal and charged to revenue. Further, provision is made to the extent of 97 per cent of the value of non-moving inventory of stores and spares (excluding

Notes to Financial Statements

maintenance, repair & operation items, pumps and compressors) which have not moved for six years and above. 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 and net realizable value.

8. Provisions, Contingent Liabilities & Contingent Assets

8.1. Provisions

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

8.1.2. When the Group expects some or all of a provision to be recovered from a third party, a receivable is recognised as a separate asset, but only when it is virtually certain and amount of the receivable can be measured reliably. The expense relating to a provision is presented in the Statement of Profit and Loss net of reimbursement, if any.

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

8.2. Contingent Liabilities and Contingent Assets

8.2.1. Show-cause notices issued by various Government Authorities are generally not considered as obligations.

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

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

a) provision is recognized in respect of present obligations where the outflow of resources is probable as per 8.1.1 above;

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

8.2.4. Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts and reviewed at each Balance Sheet date to reflect the current management estimate.

8.2.5. Estimated amount of contracts remaining to be executed towards capital expenditure are considered for disclosure.

8.2.6. A contingent asset is disclosed where an inflow of economic benefits is probable.

9. Revenue

Revenue From Contracts With Customers

9.1. The Group is in the business of Refining crude oil to produce and supply various petroleum products and it earns revenue primarily from sale of petroleum products.

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Group has generally concluded that it is the principal in its revenue arrangements, except a few agency services, because it typically controls the goods or services before transferring them to the customer.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of products, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer (if any).

Notes to Financial Statements

9.2. Revenue from the sale of petroleum products, petrochemical products, Crude and gas are recognised at a point in time, generally upon delivery of the products.

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

However, Sales Tax/ Goods and Services Tax (GST) and Value Added Tax (VAT) is not received by the Group on its own account. Rather, it is tax collected on value added to the product by the seller on behalf of the government. Accordingly, it is excluded from revenue.

9.4. Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Group provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. The volume rebates give rise to variable consideration

9.5. Interest income from financial assets is recognised using effective interest rate (EIR) method.

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

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

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

10. Excise Duty

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

11. Taxes on Income

11.1. Current Income Tax

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

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

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

11.2. Deferred Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

Notes to Financial Statements

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

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

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

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

12. Employee Benefits

12.1. Short Term Benefits

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

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

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

b) The Group operates defined benefit plans for Gratuity and Post Retirement Medical Benefits. The cost of providing such defined benefits is determined using the projected unit credit method of actuarial valuation made at the end of the year. Out of these plans, Gratuity and Post-Retirement Medical Benefits (PRMB) are administered through respective trusts.

c) Obligations on other long term employee benefits viz. leave encashment and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year. Out of these obligations, leave encashment obligations are funded through qualifying insurance policies made with insurance companies / corporation.

d) The Group also operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate Trust / corporate NPS.

12.3. Termination Benefits

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

12.4. Remeasurements

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which it occurs. Remeasurements are not reclassified to profit or loss in subsequent periods. Remeasurements in respect of other long-term benefits are recognised in the Statement of Profit and Loss.

Past service cost is recognised in profit or loss on the earlier of:

1.1. The date of the plan amendment or curtailment, and

- The date that the Group recognises related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

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

Notes to Financial Statements

13. Grants

13.1. Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

13.2. Grant relating to Assets (Capital Grants)

In case of grants relating to depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Deferred income which are recognized as "Other Operating Revenues" usually in the Statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

13.3. Grant related to Income (Revenue Grants)

Revenue grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises as expenses the related cost for which the grants are intended to compensate.

The Group has treated waiver of duty under EPCG Scheme as revenue grant as the condition of meeting the export obligations is a primary condition of availing the grant as per the EPCG Scheme. The above grant is set up by recording the assets at gross value and corresponding grant amount as deferred income. Such grant is recognized in "Other Operating Revenues" in proportion of export obligations actually fulfilled during the accounting period.

Revenue grants are generally recorded under "Other Operating Revenues" except some grants, which are netted off with the related expense.

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

14. Current Versus Non-Current Classification

14.1. The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

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

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

All other assets are classified as non-current.

14.3. A liability is treated as current when:

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

All other liabilities are classified as non-current.

15. Non-Current Assets Held for Sale

15.1. The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

15.2. For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset or disposal group to be highly probable when:

The appropriate level of management is committed to a plan to sell the asset (or disposal group),

Notes to Financial Statements

An active programme to locate a buyer and complete the plan has been initiated (if applicable),

The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

15.3. Non-Current Assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less cost to sell. Assets and liabilities classified as held for sale are presented separately in the Balance Sheet.

PPE and Intangible Assets once classified as held for sale are not depreciated or amortised.

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. Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

16.1. Financial Assets

Initial recognition and measurement

All Financial Assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the Financial Asset. However, trade receivables that do not contain a significant financing component are measured at transaction price Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Subsequent measurement

For the purpose of subsequent measurement, Financial Assets are classified in four categories:

- Financial Assets at amortised cost
- Debt Instruments at fair value through Other Comprehensive Income (FVTOCI)
- Equity Instruments at fair value through Other Comprehensive Income (FVTOCI)

Financial Assets and derivatives at fair value through profit or loss (FVTPL)

16.1.1. Financial Assets at amortised cost

A Financial Asset is measured at the amortised cost if both the following conditions are met:

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

and

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

After initial measurement, such Financial Assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. Apart from the same, any income or expense arising from remeasurement of financial assets measured at amortised cost, in accordance with Ind AS 109, is recognized in the Statement of Profit and Loss. This category generally applies to trade and other receivables

16.1.2. Debt Instrument at FVTOCI

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

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

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

Debt Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair Value movements are recognized in the Other Comprehensive Income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the

Notes to Financial Statements

asset, cumulative gain or loss previously recognised in OCI is reclassified from the Equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI Debt Instrument is reported as interest income using the EIR method.

16.1.3. Equity Instrument

A. Equity Investments at FVTOCI (Other than Subsidiaries, Joint Ventures and Associates)

All equity investments in scope of Ind AS 109 are measured at fair value. The Group has made an irrevocable election to present subsequent changes in the fair value in Other Comprehensive Income. The classification is made on initial recognition/transition and is irrevocable.

There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investments.

B. Equity Investments in Subsidiaries, Joint Ventures and Associates

Investments in Subsidiaries, Joint Ventures and Associates are accounted for at cost in the financial statements and the same are tested for impairment in case of any indication of impairment.

Dividend income is recognized in the Statement of Profit and Loss when the Group's right to receive dividend is established.

16.1.4. Debt Instruments and Derivatives at FVTPL

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

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

Debt Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Interest income on such instruments has been presented under interest income

16.1.5. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

16.1.6. Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial Assets that are Debt Instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial guarantee contracts which are not subsequently measured as at FVTPL

c) Lease Receivables under Ind AS 116

Notes to Financial Statements

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.

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.

General Approach

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-months ECL.

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense /income/ in the Statement of Profit and Loss. The Balance Sheet presentation for various financial instruments is described below:

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

16.2. Financial Liabilities

16.2.1. Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of liabilities subsequently measured at amortised cost, they are measured net of directly attributable transaction cost. In case of Financial Liabilities measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of financial liabilities are recognised immediately in the Statement of Profit and Loss.

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

16.2.2. Subsequent measurement

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

A. Financial Liabilities at fair value through profit or loss

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through the Statement of Profit and Loss. Financial Liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss

B. Financial Liabilities at amortized cost

Financial Liabilities that are not held-for-trading and are not designated as at FVTPL are measured at

Notes to Financial Statements

amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

16.2.3. Derecognition

A Financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

16.3. Embedded Derivatives

If the hybrid contract contains a host that is a Financial Asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

16.4. Offsetting of Financial Instruments

Financial Assets and financial Liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

16.5. Derivative Instrument Initial recognition / subsequent measurement

16.5.1. The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The accounting for subsequent changes in fair value of derivatives depends on the designation or non-designation of derivative as hedging instruments. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

16.5.2. Derivative that are designated as hedge instrument

The Group undertakes foreign exchange forward contracts for hedging foreign currency risk of recognized foreign currency loans and liabilities. The Group generally designates the whole forward contract as hedging instrument. These hedges are accounted for as cash flow hedges. These hedging instruments are as per the policies approved by the Board of Directors.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that the hedge is actually have been highly effective throughout the financial reporting periods for which it was designated.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in Other Comprehensive Income and accumulated under the heading Cash Flow

Notes to Financial Statements

Hedge Reserve within Equity. The gain or loss relating to the ineffective potion is recognized immediately in the Statement of Profit and Loss and included in the Other Income or Other Expenses as Gain on Derivatives or Loss on Derivatives respectively.

Amounts previously recognized in OCI and accumulated in equity relating to effective portion are reclassified to Statement of Profit and Loss in the periods when the hedged item affects profit or loss, in the same line item as the recognized hedged item or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting.

16.5.3. Derivatives that are not designated as hedge instrument

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through the Statement of Profit and Loss and are included in the Other Income or Other Expenses as Gain on Derivatives or Loss on Derivatives respectively.

16.6. Commodity contracts

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

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

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 valuation of assets and liabilities, such as unquoted financial assets, loans to related parties etc.,

Notes to Financial Statements

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. Earnings Per Share

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The Group did not have any potentially dilutive securities in the years presented.

19. 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.

20 Cash Flow Statement

Cash flow statement are reported using the Indirect method, whereby net profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

III. New Standards / amendments and other changes effective April 1, 2022

Ministry of Corporate Affairs notified amendments to the existing standards vide Notification G.S.R. 255(E) dated 23rd March 2022. These amendments do not have a material impact on the Group.

IV. Standards Issued but not yet Effective

Ministry of Corporate Affairs notifies new standard or amendments to the existing standards. During the year, vide Notification G.S.R. 242(E) dated 31st March 2023, few modifications in existing standards has been notified which will be applicable from April 1, 2023.

Notes to Financial Statements

Note – 1B : Significant Accounting Judgements, Estimates and Assumptions

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. These include recognition and measurement of financial instruments, estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, estimated quantities of noble metals, measurement of employee benefits, actuarial assumptions, provisions etc.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

Judgements

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

Materiality

Ind AS requires assessment of materiality by the Company for accounting and disclosure of various transactions in the financial statements. Accordingly, the Company assesses materiality limits for various items for accounting and disclosures and follows on a consistent basis. Overall materiality is also assessed based on various financial parameters such as Gross Block of assets, Net Block of Assets, Total Assets, Revenue and Profit Before Tax.

Contingencies

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

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans/Other Long term employee benefits

The cost of the defined benefit plans and other long term employee benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. The management considers the interest rates of government securities based on expected settlement period of various plans.

Further details about various employee benefit obligations are given in Note 32.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model based on level-2 and level-3 inputs. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

Notes to Financial Statements

Judgements include considerations of inputs such as price estimates, volume estimates, rate estimates etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also refer Note-35 for further disclosures of estimates and assumptions.

Impairment of non-financial assets

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

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

Refer Note 44.2

Notes to Financial Statements

Note – 2 : Property, Plant and Equipment

Current Year:

₹ in Crore

	Particulars	Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant and Equipment	Office Equipments	Transport Equipments	Furniture and Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	ROU assets	Total
		Note: A							Note: C			Note: B
GROSS BLOCK	Gross Block as at 1st April 2022	49.08	5.92	201.30	9265.36	45.82	10.56	6.99	-	20.31	29.24	**9634.58**
	Additions during the Year (Note: E)	0.17	-	5.22	1208.43	16.99	1.56	2.16	-	-	15.29	**1249.82**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications/ Revaluation	-	-	(6.38)	(55.95)	(4.12)	(0.78)	(0.44)	-	(0.01)	-	**(67.68)**
	Gross Block as at 31st March 2023	**49.25**	**5.92**	**200.14**	**10417.84**	**58.69**	**11.34**	**8.71**	**-**	**20.30**	**44.53**	**10816.72**
DEPRECIATION, AMORTISATION AND IMPAIRMENT	Depreciation and Amortisation as at 1st April 2022	-	0.49	42.71	2,508.36	28.27	4.53	3.47	-	7.08	15.75	**2610.66**
	Depreciation and Amortisation during the Year:	-	0.07	6.02	544.88	9.77	1.02	0.64	-	0.90	7.63	**570.93**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications/ Revaluation	-	-	(1.02)	(49.30)	(3.40)	(0.67)	(0.22)	-	-	-	**(54.61)**
	Total Depreciation and Amortisation upto 31st March 2023	**-**	**0.56**	**47.71**	**3003.94**	**34.64**	**4.88**	**3.89**	**-**	**7.98**	**23.38**	**3126.98**
	Total Impairment Loss as at 1st April 2022	-	-	16.16	83.32	-	-	-	-	0.27	-	**99.75**
	Impairment Loss during the Year (Note: D)	-	-	(5.34)	(0.75)	-	-	-	-	-	-	**(6.09)**
	Impairment loss reversed during the Year	-	-	-	-	-	-	-	-	-	-	**-**
	Total Impairment Loss upto 31st March 2023	**-**	**-**	**10.82**	**82.57**	**-**	**-**	**-**	**-**	**0.27**	**-**	**93.66**
NET BLOCK	**AS AT 31st March 2023**	**49.25**	**5.36**	**141.61**	**7331.33**	**24.05**	**6.46**	**4.82**	**-**	**12.05**	**21.15**	**7596.08**
	AS AT 31st March 2022	49.08	5.43	142.43	6673.68	17.55	6.03	3.52	-	12.96	13.49	6924.17

Notes to Financial Statements

Note – 2 : Property, Plant and Equipment (Contd..)

Previous Year:

₹ in Crore

	Particulars	Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant and Equipment	Office Equipments	Transport Equipments	Furniture and Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	ROU assets	Total
GROSS BLOCK	Gross Block as at 1st April 2021	49.08	5.92	204.52	9040.55	43.30	10.43	7.11	-	20.31	26.63	**9407.85**
	Additions during the Year (Note : E)	-	-	0.14	349.21	7.16	0.13	0.84	-	-	2.61	**360.09**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications/ Revaluation	-	-	(3.36)	(124.40)	(4.64)	-	(0.96)	-	-	-	**(133.36)**
	Gross Block as at 31st March 2022	**49.08**	**5.92**	**201.30**	**9265.36**	**45.82**	**10.56**	**6.99**	**-**	**20.31**	**29.24**	**9634.58**
DEPRECIATION, AMORTISATION AND IMPAIRMENT	Depreciation and Amortisation as at 1st April 2021	-	0.42	37.19	2,103.89	24.73	3.58	3.28	-	6.17	9.48	**2188.74**
	Depreciation and Amortisation during the Year:	-	0.07	6.03	478.99	6.91	0.95	0.62	-	0.91	6.27	**500.75**
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications/ Revaluation	-	-	(0.51)	(74.52)	(3.37)	-	(0.43)	-	-	-	**(78.83)**
	Total Depreciation and Amortisation upto 31st March 2022	**-**	**0.49**	**42.71**	**2508.36**	**28.27**	**4.53**	**3.47**	**-**	**7.08**	**15.75**	**2610.66**
	Total Impairment Loss as at 1st April 2021	-	-	19.01	103.27	-	-	-	-	0.27	-	**122.55**
	Impairment Loss during the Year (Note: D)	-	-	(2.85)	(19.95)	-	-	-	-	-	-	**(22.80)**
	Impairment loss reversed during the Year	-	-	-	-	-	-	-	-	-	-	**-**
	Total Impairment Loss upto 31st March 2022	**-**	**-**	**16.16**	**83.32**	**-**	**-**	**-**	**-**	**0.27**	**-**	**99.75**
NET BLOCK	**AS AT 31st March 2022**	**49.08**	**5.43**	**142.43**	**6673.68**	**17.55**	**6.03**	**3.52**	**-**	**12.96**	**13.49**	**6924.17**
	AS AT 31st March 2021	49.08	5.50	148.32	6833.39	18.57	6.85	3.83	-	13.87	17.15	7096.56

Notes to Financial Statements

Note – 2 : Property, Plant and Equipment (Contd..)

Notes :

A. Gross block of Land includes ₹ 0.18 Crore deposited towards 50.93 acres of Land for which assignment deed is yet to be received from Govt. of TamilNadu.

B. The cost of assets includes EPCG benefit (net of GST ITC), net of VAT CREDIT/CENVAT/GST ITC wherever applicable

C. Represents 5/24 share of total cost of the Railway Siding jointly owned by the Company along with Madras Fertilizers Limited, Madras Petrochem Limited, Steel Authority of India Limited and Rashtriya Ispat Nigam Limited. Net block of Railway Sidings - ₹ 0.003 Crore (2022 : ₹ 0.003 Crore)

D. Pertains to Cauvery Basin Refinery (refer Note 44.2)

E. Additions to Gross Block includes:

₹ in Crore

Asset Particulars	Borrowing Cost	
	31-Mar-23	31-Mar-22
Plant and Equipment	75.92	1.04
Total	**75.92**	**1.04**

Details of assets given on lease included in the above:

₹ in Crore

Asset Particulars	Gross Block as at 1st April 2022	Accumulated Depreciation & Amortisation	Accumulated Impairment loss	W.D.V as at March 31, 2023	W.D.V as at March 31, 2022
Land	5.32	-	-	5.32	5.32
Buildings	0.40	0.06	0.17	0.17	0.18
Plant and Equipment	9.36	2.81	-	6.55	2.91
Total	**15.08**	**2.87**	**0.17**	**12.04**	**8.41**

Note – 2.1 : Capital Work-In-Progress

₹ in Crore

Sl. No	Particulars	Note	31-Mar-23		31-Mar-22
1	Construction Work in Progress - Property, Plant & Equipment				
	(Including unallocated capital expenditure, materials at site)				
	Balance as at beginning of the year		1052.61		1082.75
	Add: Additions during the year		362.91		363.25
	Less: Allocated / Adjusted during the year		1006.82		139.57
	Less: Transfer to disposal group held for transfer	**A**	130.48		253.82
			278.22		1052.61
	Less: Provision for Capital Losses		-		1.51
				278.22	1051.10
2	Capital stores balance as at beginning of the year		12.67		33.12
	Add: Additions during the year		35.62		18.73
	Less: Allocated / Adjusted during the year		34.10		39.18
			14.19		12.67
	Less: Provision for Capital Losses		-		3.30
	Capital stores			**14.19**	9.37

Notes to Financial Statements

Note – 2.1 : Capital Work-In-Progress (Contd..)

₹ in Crore

Sl. No	Particulars	Note	31-Mar-23		31-Mar-22
3	Capital Goods in Transit			**0.01**	0.21
4	Construction Period Expenses pending allocation:				
	Balance as at beginning of the year		148.87		161.07
	Net expenditure during the year (Note -"2.2")		98.62		107.39
			247.49		268.46
	Less: Allocated / Adjusted during the year		132.86		14.56
			114.63		253.90
	Less: Transfer to disposal group held for transfer	A	75.62		105.03
				39.01	148.87
	TOTAL	**B**		**331.43**	**1209.55**

Notes:

A Refer Note - 44.1

B The cost of assets includes EPCG benefit (net of GST ITC), net of VAT CREDIT/CENVAT/GST ITC wherever applicable

Note – 2.2 : Construction Period Expenses(Net) During the Year

₹ in Crore

Particulars		31-Mar-23	31-Mar-22
1	Employee Benefit expenses	36.27	38.84
2	Power & Fuel	0.67	1.10
3	Finance Cost	48.01	51.40
4	Others (incl. CER expenses)	13.67	16.05
	Net Expenditure during the year	**98.62**	**107.39**
	Specific borrowings eligible for capitalisation (Rate in %)	5.78% to 6.43%	5.44% to 6.43%

Current Year :

₹ in Crore

Capital Work-In-Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	98.92	25.57	37.42	169.52	331.43

Previous Year :

₹ in Crore

Capital Work-In-Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	161.45	291.62	506.28	250.20	1209.55

Note: No Project activity is under suspension

Notes to Financial Statements

Note – 2.2 : Construction Period Expenses(Net) During the Year (Contd..)

Capital-work-in progress, whose completion is overdue compared to its original plan

Current Year :

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
RESID - COKE HANDLING SYSTEM	274.82	-	-	-
Others	20.63	-	-	-
Total	**295.45**	**-**	**-**	**-**

Previous Year :

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
BS VI PROJECTS	921.45	-	-	-
RESID - COKE HANDLING SYSTEM	223.41	-	-	-
COOLING TOWER	42.90	-	-	-
Others	10.58	-	-	-
Total	**1198.34**	**-**	**-**	**-**

Note: No cost overdue in above projects

Note – 3 : Intangible Assets

(1) Intangible assets with definite useful life

Current Year:

₹ in Crore

	Particulars	Computer Software	Technical Know-How, Royalty and Licenses	Total
GROSS BLOCK	Gross Block as at 1st April 2022	2.55	52.87	55.42
	Additions during the Year	1.45	-	1.45
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Gross Block as at 31st March 2023	**4.00**	**52.87**	**56.87**
AMORTISATION AND IMPAIRMENT (A)	Amortisation as at 1st April 2022	2.04	10.92	12.96
	Amortisation during the Year	0.37	3.07	3.44
	Disposals/ Deductions/ Transfers to Held for Sale/Reclassifications	-	-	-
	Total and Amortisation upto 31st March 2023	**2.41**	**13.99**	**16.40**
	Total Impairment Loss as at 1st April 2022	-	-	-
	Impairment Loss during the Year	-	-	-
	Impairment loss reversed during the Year	-	-	-
	Total Impairment Loss upto 31st March 2023	-	-	-
NET BLOCK	**AS AT 31st March 2023**	**1.59**	**38.88**	**40.47**
	AS AT 31st March 2022	0.51	41.95	42.46

Notes to Financial Statements

Note – 3 : Intangible Assets (Contd..)

Previous Year:

₹ in Crore

	Particulars	Computer Software	Technical Know-How, Royalty and Licenses	Total
GROSS BLOCK	Gross Block as at 1st April 2021	2.27	52.87	55.14
	Additions during the Year	0.31	-	0.31
	Disposals/ Deductions/ Transfers to Held for Sale/Reclassifications	(0.03)	-	(0.03)
	Gross Block as at 31st March 2022	**2.55**	**52.87**	**55.42**
AMORTISATION AND IMPAIRMENT (A)	Amortisation as at 1st April 2021	1.66	7.85	9.51
	Amortisation during the Year	0.39	3.07	3.46
	Disposals/ Deductions/ Transfers to Held for Sale/Reclassifications	(0.01)	-	(0.01)
	Total and Amortisation upto 31st March 2022	**2.04**	**10.92**	**12.96**
	Total Impairment Loss as at 1st April 2021	0.02	-	0.02
	Impairment Loss during the Year	-	-	-
	Impairment loss reversed during the Year	(0.02)	-	(0.02)
	Total Impairment Loss upto 31st March 2022	**-**	**-**	**-**
NET BLOCK	**AS AT 31st March 2022**	**0.51**	**41.95**	**42.46**
	AS AT 31st March 2021	0.59	45.02	45.61

(2) Intangible assets with indefinite useful life

Current year:

₹ in Crore

	Particulars	Right of Way
GROSS BLOCK	Gross Block as at 1st April 2022	0.27
	Additions during the Year	-
	Disposals/ Deductions/ Transfers to Held for Sale/Reclassifications	-
	Gross Block as at 31st March 2023	**0.27**
AMORTISATION AND IMPAIRMENT (A)	Total Impairment Loss as at 1st April 2022	0.27
	Impairment Loss during the Year	-
	Impairment loss reversed during the Year	-
	Total Impairment Loss upto 31st March 2023	**0.27**
NET BLOCK	**AS AT 31st March 2023**	**-**
	AS AT 31st March 2022	-

Previous year:

₹ in Crore

	Particulars	Right of Way
GROSS BLOCK	Gross Block as at 1st April 2021	0.27
	Additions during the Year	-
	Disposals/ Deductions/ Transfers to Held for Sale/Reclassifications	-
	Gross Block as at 31st March 2022	**0.27**
AMORTISATION AND IMPAIRMENT (A)	Total Impairment Loss as at 1st April 2021	0.27
	Impairment Loss during the Year	-
	Impairment loss reversed during the Year	-
	Total Impairment Loss upto 31st March 2022	**0.27**
NET BLOCK	**AS AT 31st March 2022**	**-**
	AS AT 31st March 2021	-

Notes to Financial Statements

Note – 3 : Intangible Assets (Contd..)

Note :

(A) Pertains to Cauvery Basin Refinery (refer Note 44.2)

Range of remaining period of Amortisation as on March 31, 2023 is as below:

Particulars	0 to 2 years	3 to 5 years	Above 5 years	Total
Computer Software	0.20	1.37	-	1.57
Techncial know-how, Royalty and Licenses	0.01	-	38.89	38.90
Total	**0.21**	**1.37**	**38.89**	**40.47**

Range of remaining period of Amortisation as on March 31, 2022 is as below:

Particulars	0 to 2 years	3 to 5 years	Above 5 years	Total
Computer Software	0.22	0.28	-	0.50
Techncial know-how, Royalty and Licenses	0.49	-	41.47	41.96
Total	**0.71**	**0.28**	**41.47**	**42.46**

Note – 3.1 : Intangible Assets Under Development

₹ in Crore

Particulars		31-Mar-23		31-Mar-22
Work in Progress - Intangible Asset:				
Balance as at beginning of the year			-	241.80
Add: Net expenditure during the year		23.47		17.56
Less: Transfer to Asset held for transfer	A	23.47		259.36
			-	-
TOTAL			-	-

Note :

A. Refer Note 44.1

Current Year :

₹ in Crore

Intangible Assets Under Development	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	NIL				

Previous Year :

₹ in Crore

Intangible Assets Under Development	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	NIL				

Note:

No Project activity is under suspension

There has been no cost / Time over run in respect of the above

Notes to Financial Statements

Note – 4 : Equity Investment In Joint Ventures

₹ in Crore

Sl. No	Particulars	Face Value per share (₹)	Non-current 31-Mar-23	Non-current 31-Mar-22
I	Investments in equity shares			
1	Unquoted:			
a)	Investment in Joint Venture Companies:			
	i) Indian Additives Ltd.	100	**11.83**	11.83
	1183401 (2022: 1183401) Equity Shares fully paid			
	Add: Share of Other Equity (inclusive of OCI)		**194.12**	196.50
	ii) National Aromatics and Petrochemical Corporation Limited	10	**0.03**	0.03
	25000 (2022: 25000) Equity Shares fully paid			
	Add: Share of Other Equity (inclusive of OCI)	**A**	**(0.03)**	(0.03)
			-	-
	iii) Cauvery Basin Refinery and Petrochemicals Ltd (CBRPL)	10	**0.01**	-
	12500 (2022: Nil) Equity Share application money pending allotment	**B**		
	TOTAL		**205.96**	**208.33**
	Aggregate value of unquoted investments		**205.99**	208.36
	Aggregate amount of impairment in value of investments		**0.03**	0.03

Note – 4.1 : Other Investments

₹ in Crore

Sl. No	Particulars	Face Value per share (₹)	Non-current 31-Mar-23	Non-current 31-Mar-22
I	Other Investments:			
	Investments at fair value through OCI (fully paid):			
a)	Biotech Consortium India Ltd	10	**0.10**	0.10
	100000 (2022: 100000) Equity Shares fully paid			
b)	MRL Industrial Cooperative Service Society Ltd	10	**0.01**	0.01
	9000 (2022: 9000) Shares fully paid			
	TOTAL	**C**	**0.11**	**0.11**
	Aggregate value of unquoted investments		**0.11**	0.11
	Aggregate amount of impairment in value of investments		**-**	-

Note :

A National Aromatics and Petrochemical Corporation Limited is not operational.

B Refer Note 44.1

C Fair Value approximates carrying value

Notes to Financial Statements

Note – 5 : Loans

₹ in Crore

Sl. No	Particulars	Note	Non-current		Current	
			31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
1	**Loans Receivables:**					
	To Related Parties					
	i) Considered Good -Secured	**A.1**	0.25	0.29	0.04	0.04
	ii) Considered Good -Unsecured	**A.2**	0.14	0.08	0.11	0.03
			0.39	0.37	**0.15**	0.07
	To Others					
	i) Considered Good -Secured		81.88	54.18	6.66	5.49
	ii) Considered Good -Unsecured		9.28	6.03	6.05	5.41
			91.16	60.21	**12.71**	10.90
	Sub Total		**91.55**	60.58	12.86	10.97
	TOTAL		**91.55**	**60.58**	**12.86**	**10.97**
	Notes :					
A.1	**Includes:**					
1	Due from Directors		**0.25**	0.29	**0.04**	0.03
2	Due from Officers		-	-	-	0.01
A.2	**Includes:**					
1	Due from Directors		**0.13**	0.05	**0.09**	0.01
2	Due from Officers		**0.01**	0.03	**0.02**	0.02

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

₹ in Crore

Sl. No	Particulars	Amount as on		Maximum Amount outstanding during the year ended	
		31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
I.	Loans and Advances in the nature of loans:				
A)	To Parent Company	-	-	-	-
B)	To Associates /Joint Venture	-	-	-	-
C)	To Firms/Companies in which directors are interested	-	-	-	-

Current Year :

Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	-	-
Directors	0.51	0.5%
KMPs	0.03	0.0%
Related Parties	-	-

Previous Year :

Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	-	-
Directors	0.38	0.5%
KMPs	0.06	0.1%
Related Parties	-	-

Notes to Financial Statements

Note – 6 : Other Financial Assets

₹ in crore

Sl. No	Particulars	Note	Non-current 31-Mar-23	Non-current 31-Mar-22	Current 31-Mar-23		Current 31-Mar-22
1	**Security Deposits**						
	To Others						
	i) Unsecured, Considered Good		**1.00**	1.45		**16.79**	12.46
2	**Claims Recoverable :**						
	a) From Related Parties						
	i) Unsecured, Considered Good	A	-	-	0.29		-
	ii) Unsecured, Considered Doubtful		-	-	22.66		22.66
			-	-	**22.95**		22.66
	Less : Provision for Doubtful Claims				12.53		12.53
	Sub Total		-	-		**0.29**	-
	b) Others						
	i) Unsecured, Considered Good		-	-	16.87		17.30
	ii) Unsecured, Considered Doubtful		-	-	6.03		5.89
			-	-	22.90		23.19
	Less : Provision for Doubtful Claims		-	-	6.03		5.89
	Sub Total		-	-		**16.87**	**17.30**
3	**Other Financial Assets**	B	-	-		**51.21**	46.34
	TOTAL		**1.00**	**1.45**		**85.16**	**76.10**

A Pertains to Indian Oil Corporation Ltd., the holding company

B Includes ₹ 9.59 Cr (2022: ₹ 7.58 Crore) towards net plan assets in respect of Leave enchashment. The Liability of ₹ 127.20 cr is netted off against associated plan assets of ₹ 136.79 cr, which was hitherto accounted on gross basis as Provision for employee benefits (2022: ₹ 120.48 Cr) and Deposit for Leave Encashment Funds (₹ 128.06 crore).

Previous year figures have been grossed up to the extent of ₹ 5.38 Cr which has now been shown under Note 16 - Liability to Trusts and Other funds.

Note – 7 : Income Tax Assets/ Liabilities (NET)

₹ in Crore

Particulars	Non - Current 31-Mar-23		Non - Current 31-Mar-22	Current 31-Mar-23		Current 31-Mar-22
Income Tax Asset / (Liability) - Net						
Advance payments for Income Tax	1105.97		412.22	-		-
Less: Provision for Income Tax	1095.71		340.77	-		-
Income Tax Asset / (Liability) - Net		**10.26**	71.45		-	-
TOTAL		**10.26**	**71.45**		**-**	**-**

(I) Reconciliation between the average effective tax rate and the applicable tax rate is as below:

Particulars	Note	31-Mar-23	31-Mar-22
Accounting profit			
Tax at the applicable tax rate of 25.17% (31.3.2022: 25.17%)		**25.17%**	**25.17%**
Tax effect of income that are not taxable in determining taxable profit:		0.06%	0.08%
Tax effect on share of results of joint venture:		0.03%	0.21%
Tax effect of expenses that are not deductible in determining taxable profit:		0.17%	0.45%
Tax expense /income related to prior years :		(0.31%)	2.02%
Tax effect on recognition of previously unrecognised allowances / disallowances :		1.40%	(1.36%)
Tax expense		**26.52%**	**26.57%**

Notes to Financial Statements

Note – 7 : Income Tax Assets/ Liabilities (NET) (Contd..)

(II) In compliance of Ind As 12 on "Income Taxes", the item wise details of deferred tax liability (net) are as under:

₹ in Crore

	As at 31-Mar-21	Provided during the Year 2021-22	Provided during the Year in OCI 2021-22	As at 31-Mar-22	Provided during the Year 2022-23	Provided during the Year in OCI 2022-23	As at 31-Mar-23
Deferred tax liability:							
Related to Property,Plant & Equipment (Depreciation)	759.37	35.05	-	794.42	44.52	-	838.94
43B Disallowances , Gratuity etc.	(11.71)	10.39	7.61	6.29	3.43	-	9.72
Total deferred tax liability (A)	**747.66**	**45.44**	**7.61**	**800.71**	**47.95**	**-**	**848.66**
Deferred tax assets:							
Carry forward Business Loss/Unabsorbed Depreciation	634.06	(475.20)	-	158.86	(158.86)	-	-
Provision on Inventories, Trade Receivables, Loans and advances, CWIP , Investments etc.	10.08	68.68	-	78.76	0.51	-	79.27
43B Disallowances , Gratuity etc.	-	-	-	-	-	4.86	4.86
Total deferred tax assets (B)	**644.14**	**(406.52)**	**-**	**237.62**	**(158.35)**	**4.86**	**84.13**
Deferred Tax Liability (Net) (A - B)	**103.52**	**451.96**	**7.61**	**563.09**	**206.31**	**(4.86)**	**764.54**

The recognition of deferred tax assets / liability is based on the "Asset and liability method", determined on the basis of difference between the financial statement and tax bases of the assets and liabilities, by using the enacted tax rates applicable to the company.

The deferred taxes are recognised to the extent, they are more likely than not to be realised, based on the best estimates as at the balance sheet date. In making such estimates, all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income and pricing assumptions based on the past trend are considered. Such estimates are subject to significant fluctuations in earnings and timing of such earnings.

Note – 8 : Other Assets

₹ in Crore

Sl. No	Particulars	Note	Non-current		Current	
			31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
1	**Advance for Capital Expenditure**					
	a) To Related Parties					
	i) Unsecured, Considered Good		-	-	-	-
	b) To Others					
	i) Secured, Considered Good		-	-		
	i) Unsecured, Considered Good		22.21	0.75	-	-
	Less: Transfer to Asset held for transfer	A	20.08	0.24		-
			2.13	0.51	-	-
2	**Advances**					
	a) To Others					
	i) Unsecured, Considered Good		-	-	62.14	44.78
3	**Claims Recoverable :**					
	From Custom, Excise, Sales tax, Income Tax dept & Others					
	i) Unsecured, Considered Good		-	-	315.06	279.52
4	**GST-ITC recoverable**		-	-	21.44	11.93

Notes to Financial Statements

Note – 8 : Other Assets (Contd..)

₹ in Crore

Sl. No	Particulars	Note	Non-current		Current	
			31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
5	**Balance with Customs, Port Trust and Excise Authorities:**					
	i) Unsecured, Considered Good		-	-	**0.01**	0.53
6	**Gold / Other Precious Metals**		-	-	**19.67**	19.67
7	**Deferred Expenses**		**31.20**	37.85	**3.01**	3.29
8	**Other Assets**	B	**57.80**	44.37	-	17.46
	TOTAL		**91.13**	**82.73**	**421.33**	**377.18**

Note :

A Refer Note 44.1

B Non current asset pertains to land given on lease related to Indian Oil Corporation Ltd., the holding company

Note – 9 : Inventories

₹ in Crore

Sl. No	Particulars	31-Mar-23		31-Mar-22
1	**In Hand :**			
	a. Stores, Spares etc.	346.79		324.43
	Less : Provision for Losses	43.10		42.83
			303.69	281.60
	b. Raw Materials		**2499.24**	3373.29
	c. Finished Products		**1681.69**	2456.30
	d. Stock in Process		**802.24**	1006.28
			5286.86	7117.47
2	**In Transit :**			
	a. Stores & Spares etc.		**1.45**	8.54
	b. Raw Materials		**685.28**	406.61
			686.73	**415.15**
	TOTAL		**5973.59**	**7532.62**
	Amount of write down of inventories to NRV and recognised as expense		**17.15**	-

Valuation of Inventories are done as per sl. no.7 of Significant accounting policies (Note-1A).

Note – 10 : Trade Receivables

₹ in Crore

Particulars	Note	31-Mar-23		31-Mar-22
a) From Related Parties				
i) Considered Good - Unsecured	A	150.05		179.08
b) From Others				
i) Considered Good -Unsecured		148.62		73.24
			298.67	252.32
TOTAL	B		**298.67**	**252.32**

Notes :

A Includes receivables from Indian Oil Corporation Ltd., the holding company ₹ 150.05 Crore (2022: ₹ 178.72 Crore) and receivables from Indian Additives Limited, Joint Venture Company ₹ Nil Crore (2022: ₹ 0.36 Crore).

Notes to Financial Statements

Note – 10 : Trade Receivables (Contd..)

B Offsetting Financial Assets and Financial Liabilties:

The following table presents the recognised financial instruments that are offset as at 31st March 2023 and 31st March 2022

₹ in Crore

Particulars	Effects of offsetting on the balance sheet		
	Gross Amount	Gross Amounts set off in the balance sheet	Net Amounts presented in the balance sheet
31-03-2023			
Financial Assets			
Trade receivables	2713.56	2414.89	298.67
Financial Liabilities			
Trade Payables	5422.00	2414.89	3007.11
31-03-2022			
Financial Assets			
Trade receivables	3242.96	2990.64	252.32
Financial Liabilities			
Trade Payables	6230.70	2990.64	3240.06

Offsetting Arrangements

The Trade receivables and payables to the extent being settled on net basis with Indian Oil Corporation Limited have been offset.

Trade receivables - Ageing

Current Year :

₹ in Crore

Particulars	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	263.13	35.54	-	-	-	298.67

Previous Year :

₹ in Crore

Particulars	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	249.60	-	2.72	-	-	252.32

Note – 11 : Cash and Cash Equivalents

₹ in Crore

Sl. No	Particulars	31-Mar-23	31-Mar-22
1	**Bank Balances with Scheduled Banks :**		
	Current Account	**1.23**	8.33
	TOTAL	**1.23**	**8.33**

Note – 12 : Other Bank Balances

₹ in Crore

Sl. No	Particulars	Note	31-Mar-23	31-Mar-22
1	**Earmarked Balances**	**A**	7.41	3.67
	TOTAL		**7.41**	**3.67**

Note :

A) Pertains to Unpaid dividend (Refer note 16 - Sl.No.5)

Notes to Financial Statements

Note – 13 : Equity Share Capital

₹ in Crore

Particulars	Note	31-Mar-23	31-Mar-22
Authorized:			
Equity:			
40,00,00,000 (2022: 40,00,00,000) Equity Shares of ₹ 10 each		400.00	400.00
Preference:			
100,00,00,000 (2022:100,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each		1000.00	1000.00
		1400.00	**1400.00**
Issued :			
Equity:			
14,89,11,400 (2022: 14,89,11,400) Equity Shares of ₹ 10 each	(i)	148.91	148.91
Preference:			
50,00,00,000 (2022: 50,00,00,000;) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each	(ii)	500.00	500.00
		648.91	648.91
Subscribed, Called-up and fully Paid-up :			
14,89,11,400 (2022: 14,89,11,400) Equity shares of ₹10 each	(i)	**148.91**	148.91
Total Paid up Equity share Capital		**148.91**	**148.91**
TOTAL		**148.91**	**148.91**

Notes :

(i) (A) As per the Formation Agreement entered into between the promoters, an offer is to be made to the Naftiran Intertrade Company Limited (NICO), an affiliate of National Iranian Oil Company (NIOC) in any issue of the Capital in proportion to the shares held by them at the time of such issue to enable them to maintain their shareholding at the existing percentage.

(B) The Shareholders of the Company at the General meeting held on 24th August 2018 has accorded approval for

a) Cancellation of unsubscribed equity share capital of ₹ 20.87 Crore consisting of 2,08,68,900 equity shares of ₹ 10/- each, comprising of partial subscription to Rights Issue made by the company in 1984, by the Government of India and non-subscription by Amoco India Inc., to the Rights Issue made by the company in 1984;

b) Cancellation of 2,19,700 forfeited equity shares of ₹ 10/- each totaling ₹ 0.22 Crore (1,87,900 equity shares forfeited on 26.09.2003 and 31,800 equity shares forfeited on 26.10.2006)

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

Preference shares to the extent of ₹ 500 crore, out of the total outstanding amount of ₹ 1000 crore were redeemed on 06.06.2018. Accordingly the outstanding amount as at 31.03.2023 is ₹ 500 crore.

Preference Shares classified as financial liability (long term borrowing) as per Ind AS 32 - Refer note - 15(D)

A. Reconciliation of No. of Shares

	31-Mar-23		31-Mar-22	
	Equity Shares	Preference Shares	Equity Shares	Preference Shares
Opening Balance	14,89,11,400	50,00,00,000	14,89,11,400	50,00,00,000
Shares Issued	-	-	-	-
Shares bought back / Redeemed	-	-	-	-
Closing Balance	**14,89,11,400**	**50,00,00,000**	**14,89,11,400**	**50,00,00,000**

Notes to Financial Statements

Note – 13 : Equity Share Capital (Contd..)

B. Rights, preferences and restrictions attached to Equity shares

Equity Shares: The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

C. Shares held by Holding Company

₹ in Crore

	31-Mar-23	31-Mar-22
7,72,65,200 Equity Shares of ₹10 each (51.89%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.	77.27	77.27

D. Details of shareholders holdings more than 5% shares

Equity Shares

Name of Shareholder	31-Mar-23		31-Mar-22		% change during the year
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding	
Indian Oil Corporation Limited	**77265200**	**51.89**	77265200	51.89	NIL
Naftiran Intertrade Company Limited	**22932900**	**15.40**	22932900	15.40	

E. Details of shares held by promotors

Equity Shares

Name of Shareholder	31-Mar-23		31-Mar-22		% change during the year
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding	
Indian Oil Corporation Limited	**77265200**	**51.89**	77265200	51.89	NIL
Naftiran Intertrade Company Limited	**22932900**	**15.40**	22932900	15.40	

Note – 14 : Other Equity

₹ in Crore

Sl. No	Particulars	Note	31-Mar-23		31-Mar-22
1	**Retained Earnings**				
a)	**General Reserve :**				
	As per last Account		3557.45		3533.95
	Add: Remeasurement of Defined Benefit Plans		(13.40)		23.50
	Less: Dividend Paid		(29.78)		-
	Add: Transferred from Profit and Loss Account		950.47		-
			4464.74		3557.45
b)	**Surplus (Balance in Statement of Profit and Loss):**				
	Balance Brought Forward from Last Year's Account		(1669.76)		(2921.79)
	Add: Profit / (Loss) for the Year		3531.53		1352.03
	Less: APPROPRIATIONS:				
	Insurance Reserve Account		15.00		-
	Capital Redemption Account		300.00		100.00
	General Reserve		950.47		-
	Balance carried forward to next year's account		596.30		(1669.76)
				5061.04	1887.69

Notes to Financial Statements

Note – 14 : Other Equity (Contd..)

₹ in Crore

Sl. No	Particulars	Note	31-Mar-23		31-Mar-22
2	**Other Reserves**				
a)	**Capital Redemption Reserve :**	**A**			
	As per last Account		700.00		600.00
	Add: Transferred from Profit and Loss Account		300.00		100.00
				1000.00	700.00
b)	**Insurance Reserve :**	**B**			
	As per last Account		-		-
	Add: Transferred from Profit and Loss Account		15.00		-
				15.00	-
c)	**Securities Premium:**	**C**			
	As per last Account			**250.04**	250.04
d)	**Capital Reserve**	**D**			
	As per last Account			**0.09**	0.09
	TOTAL			**6326.17**	**2837.82**

Note :

Retained Earnings

The retained earnings comprises of general reserve and surplus which is used from time to time to transfer profits by appropriations. Retained earnings is free reserve of the Company and is used for the purposes like issuing bonus shares, buy back of shares and other purposes (like declaring Dividend etc.) as per the approval of Board of Directors. It includes the remeasurement of defined benefit plan as per actuarial valuations which will not be re-classified to statement of profit and loss in subsequent periods.

Other Reserves

Reserves created in compliance with the Provision of the Companies Act, the utilisation of which is restricted to the purposes mandated therein:

A Capital Redemption Reserve Account : As per Companies Act 2013, capital redemption reserve is created to redeem preference shares. Utilisation of this reserve is governed by the provisions of the Companies Act 2013.

B Insurance Reserve : Insurance Reserve is created by the company to Offset risk of loss of assets not insured with external insurance agencies. The reserve is utilised to Offset actual losses by way of net appropriation in case any uninsured loss is incurred

C Securities Premium : Premium on shares issued by the company appropriated under this reserve.

D Capital Reserve: Capital Reserve was created through forfeiture of shares and shall be utilised as per the provisions of the Companies Act 2013.

Notes to Financial Statements

Note – 15 : Long-Term Borrowings

(At Amortised Cost)

₹ in Crore

Sl. No	Particulars	Note	Non-current		Current Maturities	
			31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
I.	**SECURED BORROWINGS**					
1	**Term Loans:**					
	From other parties					
	i) Loans from OIDB	A	**74.19**	306.55	**50.00**	137.50
	Total (Term Loans)		**74.19**	306.55	**50.00**	137.50
	Total Secured Borrowings		**74.19**	**306.55**	**50.00**	**137.50**
II.	**UNSECURED BORROWINGS**					
1	**Debentures**	B				
	8100 Nos. of 5.78% Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - I-2021 (2022: 8100)		**810.00**	810.00	**33.09**	33.09
	7750 Nos. of 5.44% Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - II-2022 (2022: 7750)		**775.00**	775.00	**32.57**	32.57
	11450 Nos. of 6.43% Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - I-2020 (2022: 11450)		-	-		1151.46
	Total (Term Loans)		**1585.00**	1585.00	**65.66**	1217.12
2	**Loans from related parties:**	C				
	50,00,00,000 (2022 : 50,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each		**500.00**	500.00	**33.25**	139.01
	Total Unsecured Borrowings		**2085.00**	**2085.00**	**98.91**	**1356.13**
	TOTAL LONG-TERM BORROWINGS		**2159.19**	**2391.55**	**148.91**	**1493.63**

Notes to Financial Statements

Note – 15 : Long-Term Borrowings (Contd..)

A. Secured Rupee Term Loans:

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Repayment	Security Details
1	Term Loan from Oil Industry Development Board - Rs 50 Crore	18-03-2019	Floating rate based on month end (semi-annualised) interest rates for 5 year G-Sec as per FIMMDA plus 50% of margins of AAA rated Bonds over G-Sec as quoted in INCORP (quote AAA INBMK) reset on a quarterly basis.	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis. Fully prepaid on 13.06.2022.	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to RLNG project Satisfaction of charge completed upon prepayment
2	Term Loan from Oil Industry Development Board - Rs 50 Crore	17-05-2019			
3	Term Loan from Oil Industry Development Board - Rs 150 Crore	30-10-2019		The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis. Fully prepaid on 13.06.2022.	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to BS-VI project to the extent of outstanding.
4	Term Loan from Oil Industry Development Board - Rs 100 Crore	31-03-2020	6.16%	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis	
5	Term Loan from Oil Industry Development Board - Rs 100 Crore	30-06-2020	5.68%		
6	Term Loan from Oil Industry Development Board - Rs 100 Crore	26-03-2021	Floating rate based on month end (semi-annualised) interest rates for 5 year G-Sec as per FIMMDA plus 50% of margins of AAA rated Bonds over G-Sec as quoted in INCORP (quote AAA INBMK) reset on a quarterly basis.	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis. Fully prepaid on 13.06.2022.	

B. Unsecured Loans:

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Redemption
1	Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series -I-2021	17-07-2020	5.78%	Principal repayable at the end of 5 years from date of availment. Interest payable Annually
2	Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series -II-2022	23-06-2021	5.44%	Principal repayable at the end of 3 years from date of availment. Interest payable Annually
3	Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series -I-2020	28-02-2020	6.43%	Principal repayable at the end of 3 years from date of availment. Interest payable Annually. Fully Redeemed on 28.02.2023.

Notes to Financial Statements

Note – 15 : Long-Term Borrowings (Contd..)

C. Non Convertible Cumulative Redeemable Preference Shares

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

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

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

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

(b) Such shares shall rank for capital and dividend (including all dividend undeclared upto the commencement of winding up) and for repayment of capital in a winding up, pari passu inter se and in priority to the Ordinary Shares of the Company, but shall not confer any further or other right to participate either in profits or assets.

(c) The holders of such shares shall have the right to receive all notices of general meetings of the Company and have a right to vote only on resolution placed before the share holders which directly affect their rights attached to preference shares like winding up of company or repayment of preference shares etc.

(d) The tenure of the NCCRP Shares would be 10 years , with put and call option. Either the preference shareholder shall have right to exercise Put option or the Issuer shall have right to exercise Call option to redeem the preference shares, in whole or in part after the 5 years of the preference issue date. However, it is also agreed that Put & Call option before the 5 year period can be exercised by mutual consent of both the parties by giving 30 days notice.

(e) Dividend rate shall be equivalent to the Post tax yield of AAA rated corporate bond i.e. prevailing (at the time of issue) 10 year G-Sec yield plus spread on AAA rated corporate bond i.e., 6.65% p.a.

(ii) Non-convertible cumulative redeemable preference shares to the extent of ₹ 500 Crore, out of ₹ 1000 crore was redeemed on 06.06.2018.

(iii) Preference Shares held by Holding Company

₹ in Crore

Particulars	31-Mar-23	31-Mar-22
50,00,00,000 (2022 : 50,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹10/- each (100%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.	500.00	500.00

(iv) Details of Preference shareholders holdings more than 5% shares

Name of Preference Shareholder	31-Mar-23		31-Mar-22	
	Number of Preference shares held	Percentage of Holding	Number of Preference shares held	Percentage of Holding
Indian Oil Corporation Limited	500000000	100	500000000	100

(v) Preference dividend has been provisionally accrued as finance cost. However, as per the Companies Act 2013, the preference shares is treated as part of share capital and the provisions of the Act relating to declaration of Preference Dividend would be applicable.The Board of Directors have recommended preference dividend of 6.65% on the outstanding preference shares amounting to Rs. 33.25 Cr for the year (2021-22 : Rs. 33.25 cr for FY 2021-22 and Rs. 105.76 Cr being the cumulative preference dividend for the previous year(s)).

(vi) Refer Note -13 & 13A - Authorised and issued Preference Share capital and the reconciliation of no. of shares of preference shares

Notes to Financial Statements

Note – 16 : Other Financial Liabilities

₹ in Crore

Sl. No	Particulars	Note	Non-current 31-Mar-23	Non-current 31-Mar-22	Current 31-Mar-23	Current 31-Mar-22
1	Liability for Capital Expenditure	A	-	-	275.25	348.34
	Less: Transfer to disposal group held for transfer	B	-	-	11.06	25.06
					264.19	323.28
2	Liability to Trusts and Other Funds	C	-	-	12.73	5.38
3	Employee Liabilities for Expenses		-	-	202.34	156.86
4	Security Deposits	D	**6.48**	6.60	36.68	31.99
5	Liability for Unpaid Dividend	E	-	-	7.41	3.67
6	Other Financial Liabilities		-	-	3.02	2.04
	TOTAL		**6.48**	**6.60**	**526.37**	**523.22**

Notes :

A Includes dues Payable to Indian Oil Corporation Limited ₹ Nil (2022: ₹ 4.31 Crore) and Indian Oiltanking Limited ₹ 4.76 Crore (2022: ₹ 4.76 Crore)

B Refer Note 44.1

C Previous year figures have been regrouped from Note 6- Other Financial Assets which was hitherto netted and shown has now been grossed up.

D Non-Current Liability pertains to Indian Oil Corporation Ltd., the holding company.

E There are no amounts due for payment to the Investor Education and Protection Fund as at the year end.

Note – 17 : Provisions

₹ in Crore

Sl. No	Particulars	Note	Non-current 31-Mar-23	Non-current 31-Mar-22	Current 31-Mar-23	Current 31-Mar-22
1	Provision for Employee Benefits	A	**9.04**	9.58	1.86	1.73
2	Contingencies for probable obligations	B	-	-	522.74	332.73
	TOTAL		**9.04**	**9.58**	**524.60**	**334.46**

A Refer Note 6 B

B In compliance of Ind AS – 37 on "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under :

₹ in Crore

	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year	Closing Balance
Sales Tax	246.04	217.05	-	-	463.09
Income Tax	86.69	-	-	27.04	59.65
TOTAL	**332.73**	**217.05**	**-**	**27.04**	**522.74**
Previous Year	24.50	321.67	-	13.44	332.73

Note – 18 : Other Liabilities

₹ in Crore

Sl. No	Particulars	Note	Non-current 31-Mar-23	Non-current 31-Mar-22	Current 31-Mar-23	Current 31-Mar-22
1	Deferred Income	A	7.16	7.45	0.29	0.29
2	Government Grants					
	Liability towards Government Grants (Refer Note - 40)		13.24	11.59	0.62	1.69
3	Statutory Liabilities		-	-	394.44	479.90
4	Advances from Customers	B	-	-	36.44	52.43
	TOTAL		**20.40**	**19.04**	**431.79**	**534.31**

Note :

A Pertains to Indian Oil Corporation Ltd., the holding company

B Includes payables to Indian Additives Limited, Joint Venture Company ₹ 0.82 Crore (2022: Nil).

Notes to Financial Statements

Note – 19 : Borrowings - Current

(At Amortised Cost)

₹ in Crore

Sl. No	Particulars	Note	31-Mar-23	31-Mar-22
I.	SECURED BORROWINGS			
1	**Loans Repayable on Demand**			
	From Banks:			
	a) **In Rupees**			
	i) Working Capital Demand Loan	A	-	2507.46
	Sub-Total		-	2507.46
2	**Current maturities of Long term debt**		**50.00**	137.50
	Total Secured Borrowings		**50.00**	**2644.96**
II.	UNSECURED BORROWINGS			
1	**Loans Repayable on Demand**			
	From Banks/Financial Institutions:			
	In Rupees			
	Working Capital Demand Loan		1927.36	2730.23
	Sub-Total		**1927.36**	2730.23
2	**Other Loans**			
	From Banks/Financial Institutions:			
	In Rupees			
	Commercial Paper		-	99.83
3	**Current maturities of Long term debt**		**98.91**	1356.13
	Total Unsecured Borrowings		**2026.27**	**4186.19**
	TOTAL BORROWINGS - CURRENT		**2076.27**	**6831.15**

Notes:

A Secured against hypothecation by way of first charge on Trade Receivables & Inventories to State Bank of India. The quarterly statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.

Note – 20 : Trade Payables

₹ in Crore

Particulars	Note	31-Mar-23	31-Mar-22
Dues to Micro and Small Enterprises	A	5.30	6.79
Dues to Related Parties	B	2202.38	1887.18
Dues to Others		799.43	1346.09
TOTAL	C	**3007.11**	**3240.06**

Notes :

A Details relating to Micro and Small Enterprises is as follows:

Particulars	31-Mar-23	31-Mar-22
(a) the principal amount	5.30	6.79
(b) the interest due thereon remaining unpaid	-	-
(c) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-

Notes to Financial Statements

Note – 20 : Trade Payables (Contd..)

Particulars	31-Mar-23	31-Mar-22
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

B Represents dues to Indian Oil Corporation Ltd., the holding company

C Refer Note - 10(A)

D Trade Payables aging schedule

Current Year:

₹ in Crore

Particulars	Outstanding for following periods from due date of payment					
	Unbilled	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
(i) MSME	-	5.30	-		-	5.30
(ii) Others	109.21	2878.02	7.54	3.42	3.48	3001.66
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	0.15	-	0.15
Total						**3007.11**

Previous Year:

₹ in Crore

Particulars	Outstanding for following periods from due date of payment					
	Unbilled	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
(i) MSME	-	6.79	-	-	-	6.79
(ii) Others	118.38	3103.31	4.67	2.63	4.13	3233.12
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	0.15	-	-	0.15
Total						**3240.06**

Note – 21 : Revenue From Operations

₹ in Crore

Sl. No	Particulars	Note	31-Mar-23		31-Mar-22
1	Sale of Products and Crude (including Excise Duty)		90945.14		60504.15
	Less: Discounts		144.03		102.13
	Sales (Net of Discounts)	A	90801.11		60402.02
2	Other Operating Revenues (Note "21.1")		107.16		72.27
				90908.27	60474.29
	TOTAL	B		**90908.27**	**60474.29**

Notes :

A Breakup of Gross revenue and Excise Duty on sales

Particulars	31-Mar-23	31-Mar-22
Revenue (gross)	90801.11	60402.02
Less: Excise Duty	14200.56	17358.81
Net Revenue	**76600.55**	**43043.21**

B Refer Note-42 Revenue from contracts with customers

Notes to Financial Statements

Note – 21.1 : Other Operating Revenues

₹ in Crore

Sl. No	Particulars	Note	31-Mar-23	31-Mar-22
1	Sale of Power		1.73	1.98
2	Unclaimed / Unspent liabilities written back		1.57	2.67
3	Recoveries from Employees		1.67	1.57
4	Sale of Scrap		37.32	21.20
5	Amortisation of Government Grants related to OIDB loan		0.86	1.67
6	Terminalling Charges		1.83	1.75
7	Other Miscellaneous Income	A	62.18	41.43
	TOTAL		**107.16**	**72.27**

A Includes ₹11.74 Crore (2022 : ₹ Nil Crore) in respect of Insurance claims

Note – 22 : Other Income

₹ in Crore

Sl. No	Particulars	Note	31-Mar-23		31-Mar-22
1	Interest on :				
	Financial Item:				
	a) Loans and Advances		6.93		4.56
	b) Deposits		0.26		0.18
	c) Others	A	-		5.56
				7.19	10.30
2	Other Non Operating Income			-	0.01
	TOTAL			**7.19**	**10.31**

A Mainly due to reversal of interest expense under Income Tax Act

Total interest income (calculated using the effective interest method) for financial assets that are not at fair value through profit or loss:

₹ in Crore

Particulars	31-Mar-23	31-Mar-22
In relation to financial assets measured at amortised cost	**7.19**	10.30

Note – 23 : Cost of Materials Consumed

₹ in Crore

Particulars	Note	31-Mar-23	31-Mar-22
Raw Material Consumed :			
Opening Balance		**3779.90**	1968.68
Add :			
Purchases		**66593.40**	41856.47
Sub Total		**70373.30**	43825.15
Less: Closing Stock		**3184.52**	3779.90
TOTAL (Net)		**67188.78**	**40045.25**

Notes to Financial Statements

Note – 24 : Changes in Inventory

₹ in Crore

Particulars	31-Mar-23		31-Mar-22
Closing Stock			
a) Finished Products	1681.69		2456.30
b) Stock in Process	802.24		1006.28
		2483.93	3462.58
Less:			
Opening Stock			
a) Finished Products	2456.30		1935.27
b) Stock in Process	1006.28		299.96
		3462.58	2235.23
NET INCREASE/(DECREASE)		**(978.65)**	**1227.35**

Note – 25 : Employee Benefit Expense

₹ in Crore

Particulars		31-Mar-23	31-Mar-22
Employee Benefit Expense:			
(a) Salaries, Wages, Bonus etc	A	445.01	395.47
(b) Contribution to Provident & Other Funds		49.50	89.07
(c) Staff Welfare Expenses		61.79	63.29
TOTAL	B & C	**556.30**	**547.83**

Notes :

A Interest on plan assets in respect of Leave enchashment which was hitherto recognised under Interest on financial items - others ₹ 7.43 Cr has now been netted against Employee benefit expenses in respect of previous year figures.

B Disclosure in compliance with Ind AS - 19 on "Employee Benefits" is given in Note - 32

C Above excludes ₹ 14.42 Crore (2022: ₹ 19.2 Crore) transferred to capital work in progress (Note - 2.2) and ₹ 21.85 Crore (2022: ₹ 19.64 Crore) transferred to disposal group held for transfer (Note - 2.2)

Note – 26 : Finance Costs

₹ in Crore

Sl. No		Particulars	Note	31-Mar-23		31-Mar-22
1		**Interest Payments on Financial items:**	(i)			
	I	**Working Capital Loans**				
		Short term Borrowings		169.67		227.70
	II	**Other Loans**				
		Debentures/Long Term Loan	A	122.14		140.61
					291.81	368.31
	III	**Unwinding of Finance cost on Lease obligations**			**2.48**	1.80
	IV	**Interest expense for Preference Shares treated as financial liabilities**	B		**33.25**	33.25
2		**Interest Payments on Non Financial items**	C		**2.21**	0.36

Notes to Financial Statements

Note – 26 : Finance Costs (Contd..)

₹ in Crore

Sl. No	Particulars	Note	31-Mar-23	31-Mar-22
3	**Other Borrowing Cost**	D	**0.43**	1.15
4	**Exchange differences regarded as adjustment to borrowing cost**		-	7.57
	TOTAL		**330.18**	**412.44**

Notes:

A	Net of interest capitalised as part of CWIP Rs.8.69 Cr (2022: Rs.24.32 Cr) & transferred to disposal group held for transfer Rs.39.32 Cr (2022: Rs.27.08 Cr)	48.01	51.40
B	Refer Note-15 C (v)		
C	Mainly includes interest expense on account of Income Tax / GST		

(i) Total interest expense (calculated using the effective interest method) for financial liabilities that are not measured at fair value through profit or loss:

₹ in Crore

Particulars	31-Mar-23	31-Mar-22
In relation to financial liabilities measured at amortised cost	**327.54**	403.36

D Mainly pertains to Stamp duty & other indirect expenses on borrowings.

Note – 27 : Other Expenses

₹ in Crore

Sl. No	Particulars	31-Mar-23		31-Mar-22
1	Consumption:			
	a) Stores, Spares and Consumables	133.77		94.41
	b) Packages & Drum Sheets	1.79		1.26
			135.56	95.67
2	Power & Fuel	3320.22		2485.20
	Less : Fuel from own production	3242.45		2419.28
			77.77	65.92
3	Irrecoverable taxes - Central Sales Tax		**463.35**	307.09
4	Repairs and Maintenance			
	i) Plant & Machinery	251.35		186.15
	ii) Buildings	1.14		1.09
	iii) Others	43.08		66.97
			295.57	254.21
5	Freight, Transportation Charges and Demurrage		**77.13**	27.37
6	Office Administration, Selling and Other Expenses (Refer Note "27.1")		**889.16**	481.46
	TOTAL		**1938.54**	**1231.72**
	Less: Company's use of own Products		**0.67**	1.10
	TOTAL (Net)		**1937.87**	**1230.62**

Notes to Financial Statements

Note – 27.1 : Office Administration, Selling and Other Expenses

₹ in Crore

Sl. No	Particulars	Note	31-Mar-23		31-Mar-22
1	Rent			**4.57**	11.60
2	Insurance			**30.80**	27.83
3	Rates & Taxes			**3.44**	2.14
4	Payment to auditors :				
	a) For Statutory Audit		0.24		0.24
	b) For Limited Review		0.11		0.12
	c) For Taxation Matters		0.05		0.04
	d) Other Services(for issuing other certificates etc.)		0.03		0.03
				0.43	0.43
5	Travelling & Conveyance			**20.03**	18.58
6	Communication Expenses			**2.05**	1.63
7	Printing & Stationery			**1.20**	0.93
8	Electricity & Water			**0.75**	0.46
9	Bank Charges			**0.51**	0.77
10	Provision / Loss on Assets sold or written off (Net)			**9.64**	12.10
11	Technical Assistance Fees			**6.96**	8.65
12	Exchange Fluctuation (Net)			**523.43**	98.65
13	Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores			**0.41**	2.78
14	Security Force Expenses			**34.30**	30.16
15	Terminalling Charges			**11.14**	9.90
16	Provision for Probable Contingencies			**217.06**	234.86
17	Expenses on CSR Activities	Refer Note:39		**-**	-
18	Miscellaneous Expenses	**A**		**22.44**	19.99
	TOTAL			**889.16**	**481.46**

Note :

A Miscellaneous Expenses Includes:

i) Expenditure on Advertisement, Public Relations and Publicity amounting to ₹ 0.61 Crore (2022: ₹ 0.49 Crore). The ratio of annual expenditure on Advertisement,Public Relations and Publicity to the annual turnover (inclusive of excise duty) is 0.00001:1 (2022: 0.00001:1)

ii) Entertainment Expenses ₹ 0.18 Crore (2022: ₹ 0.16 Crore)

Note – 28 : Other Comprehensive Income

₹ in Crore

Sl. No	Particulars	31-Mar-23		31-Mar-22
A.	**Items that will not be reclassified to profit or loss:**			
1	Remeasurement of Defined Benefit Plans	(18.12)		30.85
2	Share of Joint Ventures and Associates in Remeasurement of Defined Benefit Plans	(0.14)		0.34
			(18.26)	31.19
B.	**Income Tax relating to items that will not be reclassified to profit or loss:**			
1	Remeasurement of Defined Benefit Plans	4.82		(7.61)
2	Share of Joint Ventures and Associates in Remeasurement of Defined Benefit Plans	0.04		(0.08)
			4.86	(7.69)
	TOTAL		**(13.40)**	**23.50**

Notes to Financial Statements

Note – 29 : Distributions Made and Proposed

₹ in Crore

Particulars	31-Mar-23	31-Mar-22
Cash dividends on Equity shares	-	-
Final dividend for FY 2021-22 declared and paid during the year ended 31 March 2023: ₹ 2 per share; (for FY 2020-2021 declared and paid during the year ended 31 March 2022 : ₹ NIL Per Share)	**29.78**	-
	29.78	-
Proposed dividends on Equity shares:		
Final dividend for year ended 31 March 2023: ₹ 27 per share (31 March 2022: ₹ 2 per share)	402.06	29.78
	402.06	**29.78**

Proposed dividend on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability as at 31 March 2023

Note : Refer Note-15 C (v) for Preference dividend

Note – 30 : Earnings Per Share (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31-Mar-23	31-Mar-22
Profit / (Loss) attributable to equity holders (₹ in Crore)	**3531.53**	1352.03
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	**148911400**	148911400
Earning Per Share (Basic and Diluted) (₹)	**237.16**	90.79
Face value per share (₹)	**10.00**	10.00

Note – 31 : Disclosure of Interest In Joint Ventures and Associates

(₹ in Crore)

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying Amount	
					As at 31.03.2023	As at 31.03.2022
Indian Additives Limited	India	50%	Joint Venture	Equity Accounting	205.95	208.33
National Aromatics and Petrochemical Corporation Limited	India	50%	Joint Venture	Equity Accounting	(10.13)	(10.13)

Note: CPCL has paid Rs. 0.0125 Cr during the year towards share application money pending allotment in CBRPL (Refer Note 6 - Other Finanical Assets 2 (A))

Summarised balance sheet of the Indian Additives Limited:

(₹ in Crore)

	31-Mar-23	31-Mar-22
	Audited	Audited
Current assets	439.35	367.50
Current liabilities	212.34	99.11
Non-current assets	197.83	183.18
Non-current liabilities	12.67	34.67
Net assets	**412.17**	**416.90**

Notes to Financial Statements

Note – 31 : Disclosure of Interest In Joint Ventures and Associates (Contd..)

(₹ in Crore)

Paritculars	31-Mar-23 Audited	31-Mar-22 Audited
Proportion of the company's ownership on the above	50%	50%
Carrying amount of the investment	205.95	208.33
The above amounts of assets and liabilities include the followings		
Cash and cash equivalents	13.11	13.38

Summarised statement of profit and loss of the Indian Additives Limited:

(₹ in Crore)

Paritculars	31-Mar-23 Audited	31-Mar-22 Audited
Revenue From Operations	1187.35	866.74
Other Income	8.68	9.61
Cost of Material Consumed	879.16	620.24
Purchases of Stock in trade	88.62	77.85
Changes in inventories of finished goods, stock-in-trade and work in progress	5.92	(28.45)
Excise duty on sale of goods	-	-
Employee Benefits Expense	37.87	36.33
Finance Costs	2.65	0.34
Depreciation and amortization expense		
a) Tangible Assets	17.63	16.37
b) Intangible Assets	0.04	0.04
Other Expenses	145.36	112.26
Profit before exceptional items and tax	**18.78**	**41.38**
Exceptional Items	-	-
Profit/(loss) before tax	**18.78**	**41.38**
Tax expense:		
Current Tax	4.70	10.20
Tax Expense relating to previous year	2.25	(0.44)
Deferred Tax	0.49	0.42
Profit (Loss) for the period	**11.34**	**31.20**
Other Comprehensive Income	(0.21)	0.50
Total comprehensive income	**11.13**	**31.70**
Dividend received	0.00	0.00

Commitments and contingent liabilities in respect of Joint Venture

(₹ in Crore)

Particulars	31-Mar-23 Audited	31-Mar-22 Audited
Commitments – Joint Venture		
Property, Plant and Equipments	1.82	1.14
Civil Work relating to Project	-	-
Contingent liabilities – Joint Venture		
Income Tax Matters	1.05	3.33
Excise Duty Matters	0.01	0.01
Service Tax Matters	0.57	0.57
Sales Tax Matters	0.34	0.34
Customs duty matters	-	-

Notes to Financial Statements

Note – 31 : Disclosure of Interest In Joint Ventures and Associates (Contd..)

Individually immaterial Joint Ventures:

(₹ in Crore)

Particulars		31-Mar-23	31-Mar-22
Aggregate carrying amount of individually immaterial Joint Venture			
i) National Aromatics and Petrochemical Corporation Limited	A	-	-
Aggregate amounts of the group's share of:			
Profit/(loss) from continuing operations		NA	NA
Other comprehensive income		NA	NA
Total comprehensive income		**NA**	**NA**
Share of profits from Joint Venture		(0.01)	(0.01)

A. The Investment in JV have been fully provided for dimunition in value of investments. The JV is not Operational

The company has decided to exit from the JV and the process in this regard is already initiated.

NA - Not Applicable

Note – 32 : Employee Benefits

Disclosures in compliance with Ind AS 19 on "Employee Benefits" is as under:

A. Defined Contribution Plans- General Description

Pension Scheme:

During the year, the company has recognised ₹ 25.03 Crore (2022: ₹ 24.62 Crore) towards contribution to Defined Employees Pension Scheme in the Statement of Profit and Loss / CWIP (included in Contribution to Provident & Other Funds in Note - 25 / Construction period expenses in Note-2.1)

During the year, the company has recognised ₹ 1.71 Crore (2022: ₹ 1.81 Crore) as contribution to EPS-95 in the Statment of Profit and Loss / CWIP (included in Contribution to Provident and Other Funds in Note - 26 / Construction period expenses in Note-2.1)

B. Defined Benefit Plans- General Description

1 Provident Fund:

The Company's contribution to the Provident Fund is remitted to separate provident fund trust established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company. The Provident Fund maintained by the PF Trust in respect of which actuarial valuation is carried out and ₹ 6.9 Crore (2022 : ₹ 4.91 Crore) has been provided by the company towards the current and future interest shortfall/losses beyond available surplus.

2 Gratuity:

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the eligible salary for every completed year of service subject to a maximum of ₹ 0.20 Crore at the time of separation from the company. Besides, the ceiling of gratuity increases by 25% whenever IDA rises by 50%. The company has funded the liability through insurance company.

3 Post Retirement Medical Scheme (PRMS):

PRMS provides medical benefit to retired employees and eligible dependant family members.The company has funded the liability through insurer managed funds.

4 Workman Compensation:

The company pays an equivalent amount of 100 months salary to the family member of employee, if employee dies due to accidental death while he is on duty. This scheme is not funded by the company. The liability originates out of the workman compensation Act and Factory Act.

Notes to Financial Statements

Note – 32 : Employee Benefits (Contd..)

C. Other Long-Term Employee Benefits - General Description

1 Leave Encashment:

(i) Each employee is entitled to get 8 days of earned leave for each completed quarter of service. Encashment of earned leave is allowed during service leaving a minimum balance of 15 days subject to maximum accumulation up to 300 days. In addition each employee is entitled to get 5 days of sick leave at the end of every six months. The Company has been adopting a practice of permitting encashment of the entire accumulation of sick leave only at the time of retirement.

(ii) DPE Guidelines in this regard states that sick leave cannot be encashed. The company continues this practice keeping in view operational complications and service agreements. Our Holding company has represented to the concerned authorities in earlier years to reconsider the matter. The matter has been dealt in 3rd PRC recommendations, which is effective January 1,2017 and CPSEs have been allowed to frame their own rules considering operational necessities and subject to conditions set therein. The net expenditure accounted towards encashment of sick leave for the year is ₹ 6.07 Crore (2022: ₹ 1.96 crore). The accumulated provision for towards encashment of sick leave is ₹ 32.16 Crore (2022: ₹ 29.86 Crore).

2 Long Service Award:

On completion of specified period of service with the Company and also at the time of retirement, employees are rewarded with Prepaid Card as per eligibility, based on the duration of service completed based on the Board approved policy. This award based on length of meritorious and faithful service of employees (Long Service Award) was specifically allowed by DPE (formerly BPE) thru its letter dated 14.02.1983. MOP&NG has advised the Company that the Scheme is in contravention to the present DPE guidelines issued vide DPE OM No. 2(22)/97-DPE(WC) dated 20th November, 1997. The matter is being pursued with MOP&NG for resolution. Pending resolution of the matter, the company is of the view that the provision is in line with Board approved policy. The net expenditure accounted on this account is ₹ 1.01 Crore (2022: ₹ 0.96 Crore). The accumulated provision in this regard is ₹ 10.54 Crore (2022: ₹ 10.95 Crore). The Company continues this practice keeping in view operational complications and service agreements. Our Holding company has represented to the concerned authorities in earlier years to reconsider the matter.

D. The summarised position of various defined benefits / Long Term Employee Benefits recognised in the Statement of Profit & Loss, Balance Sheet are as under:

(Figures presented in *Italic Font* in the table are for previous year)

(i) Reconciliation of balance of Defined Benefit / Long Term Employee Benefit Obligations

₹ in Crore

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Defined Obligation at the beginning	**629.90**	**153.46**	**254.59**
	617.28	*163.96*	*258.00*
Current Service Cost	**23.62**	**3.19**	**3.91**
	23.58	*3.35*	*3.93*
Interest Cost	**47.38**	**11.10**	**18.84**
	61.21	*11.23*	*17.83*
Past Service Cost		-	-
	-	-	-
Benefits paid	**(90.83)**	**(16.00)**	**(7.74)**
	(112.73)	*(19.53)*	*(6.01)*

Notes to Financial Statements

Note – 32 : Employee Benefits (Contd..)

₹ in Crore

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Employee Contribution	**37.61**	**-**	**-**
	40.41	*-*	*-*
Amounts Transferred in /out	**(19.42)**	**-**	**-**
	(0.12)	*-*	*-*
Actuarial (gain)/ loss on obligations	**1.71**	**1.89**	**13.64**
	0.27	*(5.55)*	*(19.16)*
Defined Benefit Obligation at the end of the year	**629.97**	**153.64**	**283.24**
	629.90	*153.46*	*254.59*

(ii) Reconciliation of balance of Fair Value of Plan Assets

₹ in Crore

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Fair Value of Plan Assets at the beginning of the year	**625.00**	**170.89**	**275.88**
	612.93	*137.53*	*246.45*
Expected return on plan assets (Interest Income)	**47.02**	**12.36**	**20.41**
	60.93	*9.42*	*17.03*
Contribution by employer	**23.62**	**-**	**-**
	23.58	*23.59*	*8.29*
Contribution by employees	**37.61**	**-**	**-**
	40.41	*-*	*-*
Benefit paid	**(90.83)**	**(0.16)**	**-**
	(112.73)	*(1.94)*	*-*
Amounts Transferred in /out	**(19.35)**	**-**	**-**
	(0.12)	*-*	*-*
Actuarial gain / (losses) (Return on Plan Assets excl interest income)	**-**	**(0.41)**	**(0.47)**
	-	*2.29*	*4.11*
Fair Value of plan assets at the end of the year	**623.07**	**182.68**	**295.82**
	625.00	*170.89*	*275.88*

(iii) Reconciliation of Fair Value of Plan Assets and Defined Benefit Obligation

₹ in Crore

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Fair Value of plan assets at the end of the year	**623.07**	**182.68**	**295.82**
	625.00	*170.89*	*275.88*
Defined Benefit Obligation at the end of the year	**629.97**	**153.64**	**283.24**
	629.90	*153.46*	*254.59*
Net Interest shortfall / Liability / (Asset)recognised in the Balance Sheet	**6.90**	**(29.04)**	**(12.58)**
	4.90	*(17.43)*	*(21.29)*
Amount not recognised in the Balance Sheet	-	-	-
	-	-	-

Notes to Financial Statements

Note – 32 : Employee Benefits (Contd..)

(iv) Amount recognised in Statement of Profit and Loss / CWIP

₹ in Crore

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Current Service Cost	**23.62**	**3.19**	**3.91**
	23.58	*3.35*	*3.93*
Interest Cost	**47.38**	**11.10**	**18.84**
	61.21	*11.23*	*17.83*
Expected (return) / loss on plan asset	**(47.02)**	**(12.36)**	**(20.41)**
	(60.93)	*(9.42)*	*(17.03)*
Contribution by Employees	-	-	-
	-	-	*(0.12)*
Past Service Cost	-	-	-
	-	-	-
Expenses for the year	**23.98**	**1.93**	**2.34**
	23.86	*5.16*	*4.61*

(v) Amount recognised in Other Comprehensive Income (OCI)

₹ in Crore

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Actuarial (gain)/ loss on Obligations	**1.71**	**1.89**	**13.64**
	0.27	*(5.55)*	*(19.16)*
Remeasurement (Return on Plan Assets excl interest income)	-	**0.41**	**0.47**
	-	*(2.29)*	*(4.11)*
Net Loss / (Gain) recognized in OCI	**1.71**	**2.30**	**14.11**
	0.27	*(7.84)*	*(23.27)*
Net Loss / (Gain) not recognized in P&L / OCI	-	-	-
	-	-	-

(vi) Major Actuarial Assumptions

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Discount rate	**7.52%**	**7.52%**	**7.53%**
	7.23%	*7.23%*	*7.40%*
Guaranteed return on plan assets	**8.15%**	-	-
	8.10%	-	-
Salary escalation	-	**8.00%**	-
	-	*8.00%*	-
Inflation	-	-	**7.00%**
	-	-	*7.00%*

The estimate of future salary increases considered in actuarial valuation takes into account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management and historical results of the return on plan assets.

(vii) Sensitivity on Actuarial Assumptions:

₹ in Crore

Loss / (Gain) for:	Gratuity	PRMS
	Funded	Funded
Change in Discounting Rate		
Increase by 0.5%	**(4.77)**	**(21.72)**
	(4.76)	*(19.22)*

Notes to Financial Statements

Note – 32 : Employee Benefits (Contd..)

₹ in Crore

Loss / (Gain) for:	Gratuity	PRMS
	Funded	Funded
Decrease by 0.5%	**5.12**	**24.74**
	5.11	*21.88*
Change in Employee Turnover		
Increase by 0.5%	**0.46**	**0.60**
	0.42	*0.50*
Decrease by 0.5%	**(0.48)**	**(0.64)**
	(0.44)	*(0.54)*
Change in Salary Escalation/ Inflation rate		
Increase by 0.5%	**2.17**	**24.89**
	4.13	*21.99*
Decrease by 0.5%	**(2.12)**	**(22.04)**
	(3.78)	*(19.48)*

(viii) Investment details:

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Investment with Insurer	**-**	**100.00%**	**100.00%**
	-	*100.00%*	*100.00%*
Self managed investments	**100.00%**	**-**	**-**
	100.00%	*-*	*-*

Details of the investment pattern for the above mentioned funded obligations is as under:

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Government securities (Central & State)	**51.66%**	**65.43%**	**80.37%**
	48.46%	*29.80%*	*81.85%*
Investment in Equity / Mutual Funds	**12.73%**	**12.27%**	**10.87%**
	10.24%	*14.51%*	*8.39%*
Investment in Debentures / Securities	**30.19%**	**20.53%**	**8.36%**
	36.37%	*50.98%*	*9.23%*
Other approved investments (incl. Cash)	**5.42%**	**1.77%**	**0.40%**
	4.92%	*4.71%*	*0.53%*

(ix) The following payments are expected projections to the defined benefit plan in future years:

₹ in Crore

Cash Flow Projection from the Fund/Employer	Gratuity	PRMS	Total
	Funded	Funded	
Within next 12 Months	**18.91**	**8.19**	**27.10**
	20.49	*7.53*	*28.02*
Between 2 to 5 Years	**69.60**	**42.32**	**111.92**
	62.69	*38.82*	*101.50*
Between 6 to 10 Years	**68.51**	**76.74**	**145.25**
	70.38	*70.10*	*140.48*

	Gratuity	PRMS
	Funded	Funded
Weighted Average Duration of Defined Benefit Obligation	**8 Years**	**15 Years**
	8 Years	*14 Years*

Notes to Financial Statements

Note – 33 : Commitments and Contingencies

A Leases

(a) As lessee

The Company has entered into various material lease arrangements (including in substance lease arrangements) such as lands and buildings for purpose of its plants, facilities, offices, etc..,

The Employees Township at Cauvery Basin Refinery has been constructed on land area of thirty four acres and forty nine cents of land leased from a trust on five-year renewable basis.

Amount Recognized in Statement of Profit and Loss Account or Carrying Amount of Another Asset

(₹ in Crore)

Particulars	31-03-2023	31-03-2022
Depreciation recognized	7.63	6.27
Interest on lease liabilities	2.08	1.39
Expenses relating to short-term leases (leases more than 30 days but less than 12 months)	3.12	2.46
Variable lease payments not included in the measurement of lease liabilities	1.32	2.19
Total cash outflow for leases	12.87	12.02
Additions to ROU during the year	15.29	2.61
Net Carrying Amount of ROU at the end the year	21.15	13.49

The details of ROU Asset other than leasehold land included in PPE (Note 2) held as lessee by class of underlying asset is presented below :-

Current Year:

(₹ in Crore)

Asset Class	Items Added to RoU Asset as on 01.04.2022	Additions to RoU Asset during the Year	Depreciation Recognized During the Year	Net Carrying value as on 31.03.2023
Leasehold Land	7.86	4.28	4.50	7.63
Buildings Roads etc.	0.31	-	0.02	0.30
Plant & Equipment	-	-	-	-
Transport Equipments	5.32	11.01	3.11	13.22
Total	**13.49**	**15.29**	**7.63**	**21.15**

Previous Year :

(₹ in Crore)

Asset Class	Items Added to RoU Asset as on 01.04.2021	Additions to RoU Asset during the Year	Depreciation Recognized During the Year	Net Carrying value as on 31.03.2022
Leasehold Land	8.42	0.94	1.50	7.86
Buildings Roads etc.	0.33	-	0.02	0.31
Plant & Equipment	1.11	-	1.11	-
Transport Equipments	7.29	1.67	3.64	5.32
Total	**17.15**	**2.61**	**6.27**	**13.49**

As per requirement of the standard, maturity analysis of Lease Liabilities have been shown as part of borrowings under Liquidity Risk of Note 36: Financial Instruments & Risk Factors.

Notes to Financial Statements

Note – 33 : Commitments and Contingencies (Contd..)

Details of items of future cash outflows which the Company is exposed as lessee but are not reflected in the measurement of lease liabilities are as under;

(i) Variable Lease Payments

As per general industry practice, the Company incurs various variable lease payments which are based on rate, kms covered etc. and are recognized in profit or loss and not included in the measurement of lease liability.

(b) As lessor

(i) Operating Lease

The lease rentals recognized as income in these statements as per the rentals stated in the respective agreements:

(₹ in Crore)

Particulars	31-03-2023	31-03-2022
A. Lease rentals recognized during the period	31.03	30.62
B. Value of assets given on lease included in tangible assets		
- Gross Carrying Amount	15.08	9.99
- Accumulated Depreciation	2.87	1.41
- Depreciation recognized in the Statement of Profit and Loss	0.39	0.19

These relate to storage tankage facilities for petroleum products, buildings, plant and equipments given on lease. Asset class wise details have been presented under Note 2: Property, Plant & Equipments.

Maturity Analysis of Undiscounted Lease Payments to be received after the reporting date

(₹ in Crore)

Particulars	31-03-2023	31-03-2022
Less than one year	16.83	16.75
One to two years	15.85	15.16
Two to three year	16.67	15.92
Three to four years	17.52	16.74
Four to five years	18.42	17.52
More than five years	693.80	712.23
Total	**779.09**	**794.32**

B Contingent Liabilities

Contingent Liabilities amounting to ₹606.82 Crore (2022: ₹201.48 Crore) are as under:

(i) ₹ 539.11 Crore (2022: ₹ 28.03 Crore) being the demands raised by the Central Excise / Customs / Service Tax Authorities including interest of ₹ 173.16 Crore (2022: ₹ 12.26 Crore).

(ii) ₹ 10.48 Crore (2022: ₹ 145.73 Crore) being the demands raised by the VAT/ Sales Tax Authorities and includes no interest (2022: Nil).

(iii) ₹ 54.31 Crore (2022: ₹ 20.67 Crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹ 8.58 Crore (2022: ₹ 8.41 Crore).

(iv) ₹ 2.92 Crore (2022: ₹ 7.05 Crore) in respect of other claims including interest of ₹ 1.37 Crore (2022: ₹ 6.75 Crore).

The Company has not considered those disputed demands / claims as contingent liabilities, for which, the outflow of resources has been considered as remote.

Notes to Financial Statements

Note – 33 : Commitments and Contingencies (Contd..)

C Commitments

(i) Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account not provided for ₹ 199.76 Crore (2022: ₹ 266.81 Crore).

(ii) Other Commitments

The Company has an export obligation to the extent of ₹ 219.05 Crore (2022: ₹ 147.02 Crore) on account of concessional rate of customs duty availed under EPCG license scheme on procurement of capital goods and the same is expected to be fulfilled by way of exports.

Note - 34 "Related Party Disclosures" in compliance with Ind-AS 24, are given below:

1. Relationship with Entities

A. Details of Holding Company

1) Indian Oil Corporation Limited (IOCL)

The following transactions were carried out with Holding Company in the ordinary course of business:

(₹ in Crore)

Particulars	31-Mar-2023	31-Mar-2022
• Sale of Products/ Crude and Services	**84387.19**	57194.25
• Dividend on Preference Shares	**33.25**	33.25
• EDP Maintenance	**4.82**	3.08
• Other Operating Income	**32.93**	32.52
• Purchase of Raw Material	-	969.91
• Purchase of Stock-in-Trade	**198.30**	47.72
• Purchase of Stores & Spares	**5.35**	5.10
• Canalising commission	**5.88**	6.35
• Vessel hiring charges	**62.45**	84.68
• Terminalling and Facilitation Charges	**6.42**	6.00
• Rental Expenditure	**0.66**	3.18
• Subscription Expenses	-	0.30
• Training Expenses	**0.02**	0.03
• Purchase of RLNG	**1847.18**	1355.02
• Finance Cost - Unwinding of finance cost	**0.40**	0.40
• Capital Advances / (Liabilities)	-	(4.31)
• Revenue Advances	**0.20**	0.16
• Outstanding Receivables	**150.34**	178.72
• Other Liabilities - Land given on lease	**13.93**	14.34
• Other Non - current Assets - Land given on lease	**57.80**	44.37
• Outstanding payables		
Trade Payables	**2202.38**	1887.18
Preference Shares (at face value)	**500.00**	500.00

B. Details of Joint Ventures / Associates

i) Indian Additives Limited

(₹ in Crore)

Particulars	31-Mar-2023	31-Mar-2022
• Investment	**11.83**	11.83
• Sale of Product	**38.72**	29.65
• Rental income	**0.64**	0.58
• Maintenance Expenses	-	1.30

Notes to Financial Statements

Note - 34 "Related Party Disclosures" in compliance with Ind-AS 24, are given below: (Contd..)

(₹ in Crore)

Particulars	31-Mar-2023	31-Mar-2022
• Dividend received	7.93	5.92
• Outstanding Payables	0.82	1.30
• Outstanding Receivables	-	0.36

ii) National Aromatics & Petrochemicals Corp. Limited

(₹ in Crore)

Particulars	31-Mar-2023	31-Mar-2022
• Investments in Joint Venture Entities/ Associates	0.03	0.03
• Claims recoverable	22.66	22.66

The Investment & claims recoverable has been fully impaired (Note - 4)

iii) Cauvery Basin Refinery and Petrochemicals Limited

(₹ in Crore)

Particulars	31-Mar-2023	31-Mar-2022
• Share application money pending allotment	0.01	-

C. Details of Joint Ventures/Associates of Holding Company

i) Indian Oiltanking Limited

(₹ in Crore)

Particulars	31-Mar-2023	31-Mar-2022
• Outstanding payable	4.76	4.76

ii) Falcon Oil & Gas B.V

(₹ in Crore)

Particulars	31-Mar-2023	31-Mar-2022
• Purchase of Crude Oil	865.83	-

D. Government related entities where significant transactions are carried out:

Apart from transactions reported above, the company has transactions with other Government related entities, which includes but not limited to the following:

Name of Government: Government of India (Central and State Government)

Nature of Transactions:

- Sale of Product and Services
- Purchase of Product
- Purchase of Raw Materials
- Handling and Freight Charges, etc.
- Borrowings

These transactions are conducted in the ordinary course of the Company's business on terms comparable to those with other entities that are not Government-related

Notes to Financial Statements

Note - 34 "Related Party Disclosures" in compliance with Ind-AS 24, are given below: (Contd..)

2) Key Managerial Personnel

A.	Whole Time Directors / Company Secretary	B.	Independent / Part time Non-Executive Directors (Government / IOCL/ NICO Nominee)
1)	Shri Arvind Kumar (w.e.f 27.08.2021)	1)	Shri S M Vaidya (Non - Executive Chairman)
2)	Shri Rajeev Ailawadi (Upto 28.02.2023)	2)	Shri D. Durai Ganesan (Upto 13.08.2021)
3)	Shri Rohit Kumar Agrawala (w.e.f 01.03.2023)	3)	Smt. Sobha Surendran (Upto 31.10.2022)
4)	Shri. S.Krishnan	4)	Shri Mohammad Bagher Dakhili
5)	Shri H. Shankar	5)	Shri Babak Bagherpour
6)	Shri P.Shankar	6)	Shri M Narayana Rao (Upto 29.07.2022)
		7)	Shri Amitabh Mathur (Upto 29.07.2022)
		8)	Shri Deepak Srivastava (w.e.f 10.08.2021)
		9)	Ms. Sukla Mistry (w.e.f. 16.11.2021)
		10)	Shri Dr. C. K. Shivanna (w.e.f. 16.11.2021)
		11)	Shri Ravi Kumar Rungta (w.e.f. 16.11.2021)
		12)	Shri Manoj Sharma (Upto 09.11.2021)
		13)	Shri Sukh Ram Meena (Upto 09.08.2021)
		14)	Shri K Surendran (w.e.f 27.03.2023)

Details relating to the parties referred to in Item No.2A & 2B above :

For the Year ended 31-Mar-2023

(₹ in Crore)

	Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Sitting Fee	Outstanding loans/ advance receivables
A.	**Whole Time Directors / Company Secretary**							
1)	Shri Arvind Kumar	0.60	0.11	-	-	0.71	-	0.07
2)	Shri Rajeev Ailawadi	0.58	0.10	0.47	-	1.15	-	-
3)	Shri Rohit Kumar Agrawala	0.03	0.01	-	-	0.04	-	0.17
4)	Shri S.Krishnan	0.67	0.12	0.08	-	0.87	-	-
5)	Shri H.Shankar	0.62	0.11	0.07	-	0.80	-	0.27
6)	Shri P.Shankar	0.56	0.10	0.16	-	0.82	-	0.03
B.	**Independent / Government Nominee Directors#**							
1)	Shri. Amitabh Mathur	-	-	-	-	-	0.02	-
2)	Shri. Myneni Narayana Rao	-	-	-	-	-	0.03	-
3)	Smt. Sobha Surendran	-	-	-	-	-	0.03	-
4)	Shri. Ravi Kumar Rungta	-	-	-	-	-	0.05	-
5)	Shri. C.K Shivanna	-	-	-	-	-	0.05	-
	Total	**3.06**	**0.55**	**0.78**	**-**	**4.39**	**0.18**	**0.54**

Sitting fees paid to Independent Directors

For the Year ended 31-Mar-2022

(₹ in Crore)

	Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Sitting Fee	Outstanding loans/ advance receivables
A.	**Whole Time Directors / Company Secretary**							
1)	Shri Arvind Kumar	0.25	0.06	-	-	0.31	-	0.09
2)	Shri Rajeev Ailawadi	0.63	0.10	-	-	0.73	-	-
3)	Shri S.Krishnan	0.68	0.11	-	-	0.79	-	-

Notes to Financial Statements

Note - 34 "Related Party Disclosures" in compliance with Ind-AS 24, are given below: (Contd..)

(₹ in Crore)

Details of Key Managerial Personnel		Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Sitting Fee	Outstanding loans/ advance receivables
4)	Shri H.Shankar	0.51	0.10	-	-	0.61	-	0.30
5)	Shri P.Shankar	0.56	0.09	0.01	-	0.66	-	0.06
B.	**Independent / Government Nominee Directors#**							
1)	Shri. D.Durai Ganesan	-	-	-	-	-	0.02	-
2)	Shri. Amitabh Mathur	-	-	-	-	-	0.05	-
3)	Shri. Myneni Narayana Rao	-	-	-	-	-	0.05	-
4)	Smt. Sobha Surendran	-	-	-	-	-	0.03	-
5)	Shri. Ravi Kumar Rungta	-	-	-	-	-	-	-
6)	Shri. C.K Shivanna	-	-	-	-	-	-	-
	TOTAL	**2.63**	**0.46**	**0.01**	**-**	**3.10**	**0.15**	**0.45**

Sitting fees paid to Independent Directors

This does not include the impact of provision made on actuarial valuation of retirement benefit/long term Schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual directors

3) Trusts

Transactions with Post Employment Benefit Plans managed through separate trust

(₹ in Crore)

Sl. No	Name of the Trust	Post Employment Benefit Plan	31-Mar-2023		31-Mar-2022	
			Contribution by Employer	Outstanding Payable	Contribution by Employer	Outstanding Payable
A	CPCL Employees Provident Fund	Provident Fund	24.20	2.11	24.05	2.00
B	CPCL Employees Superannuation Benefit Fund	Pension Scheme	6.47	-	11.52	-
C	CPCL Employees Group Gratuity Trust	Gratuity	-	-	23.59	-
D	Post Retirement Medical Benefit Trust	PRMB	-	-	8.17	-

Note – 35 : Fair Values

Set out below, is a comparison by class of the carrying amounts as per financial statements and fair value of the Company's financial instruments, along with the fair value measurement hierarchy:

(₹ in Crore)

Particulars	Carrying value		Fair value		Fair value measurement hierarchy level
	As at 31-Mar-2023	As at 31-Mar-2022	As at 31-Mar-2023	As at 31-Mar-2022	
Financial Assets					
Amortised Cost:					
Loans to employees	**104.41**	71.55	**68.51**	52.92	Level 2
Total	**104.41**	**71.55**	**68.51**	**52.92**	
Financial liabilities					
A. Borrowings:					
Amortised Cost:					
Non-Convertible Redeemable Debentures	**1650.66**	2802.12	**1591.89**	2818.63	Level 2

Notes to Financial Statements

Note – 35 : Fair Values (Contd..)

(₹ in Crore)

Particulars	Carrying value		Fair value		Fair value measurement hierarchy level
	As at 31-Mar-2023	As at 31-Mar-2022	As at 31-Mar-2023	As at 31-Mar-2022	
Lease obligation	**24.14**	15.63	**23.89**	15.88	Level 2
Preference Shares	**533.25**	639.01	**548.27**	626.40	Level 2
Term Loans from Oil Industry Development Board (OIDB)	**124.19**	444.05	**125.63**	452.66	Level 2
Total	**2332.24**	**3900.81**	**2289.68**	**3913.57**	

Notes:

1. Levels under Fair Value measurement hierarchy are as follows:

   (a **Level 1** items fair valuation is based upon **market price quotation at each reporting date**

   (b) **Level 2** items fair valuation is based upon **Significant observable inputs like PV of future cash flows, MTM valuation, etc.**

   (c) **Level 3** items fair valuation is based upon **Significant unobservable inputs wherein valuation done by independent valuer**.

2. The management assessed that Trade Receivables, Cash and Cash Equivalents, Bank Balances, Deposit for Leave Encashment Fund, Recoverable from Employee Benefits Trusts, Other Non-derivative Current Financial Assets, Short-term Borrowings, Trade Payables, Floating Rate Loans and Other Non-derivative Current Financial Liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

3. The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Methods and assumptions

The following methods and assumptions were used to estimate the fair values at the reporting date:

Level 2 Hierarchy:

(i) **Derivative instruments at fair value through profit or loss viz.Foreign exchange forward contracts:** Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs are considered.

(ii) **Loans to employees, Loan to related parties, Security deposits paid and Security deposits received,Lease obligations:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities

(iii) **Non Convertible Redeemable Preference shares :** The fair value of Preference shares is estimated by discounting future cash flows.

(iv) **Term Loans from Oil Industry Development Board (OIDB):** Discounting future cash flows using rates currently available for similar type of borrowings (OIDB Borrowing rate) using exit model as per Ind AS 113.

Notes to Financial Statements

Note – 36 : Financial Instruments and Risk Factors

Financial Risk Factors

The Company's principal financial liabilities, other than derivatives, comprise Borrowings, trade and other payables, security deposits and employee liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include loans & advances, trade and other receivables, short-term deposits and cash / cash equivalents that derive directly from its operations. The company's requirement of crude oil imports are canalized through its holding company, Indian Oil Corporation Limited. The derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that trading in derivatives are taken only to hedge the various risks that the company is exposed to and not for speculation purpose.

The Company is exposed to a number of different financial risks arising from natural business exposures as well as its use of financial instruments including market risk relating to interest rate, commodity prices, foreign currency exchange rates and equity price, credit risk and liquidity risk.

To ensure alignment of Risk Management system with the corporate and operational objective and to improve upon the existing procedure, the Executive Committee of the company constituted a Committee comprising of officials from various functional areas to identify the risks in the present context, prioritize them and formulate proper action plan for implementation. The Committee has formulated the Risk Management Policy.

The Action Taken Report on the Risk Management Policy for the year 2022-23 was reviewed by the Risk Management Committee, Audit Committee and Board of Directors at their meetings held on 27.04.2023.

The Board of Directors oversees the risk management activities for managing each of these risks, which are summarised below:

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The major components of market risk are interest rate risk, foreign currency risk, commodity price risk and other price risks etc. Financial instruments affected by market risk include Borrowings, Deposits and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2023 and 31 March 2022

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions, and other non-financial assets.

The following assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at 31 March 2023 and 31 March 2022 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 2023.

Notes to Financial Statements

Note – 36 : Financial Instruments and Risk Factors (Contd..)

1) Interest rate risk

The Company is also exposed to interest rate risk from the possibility that changes in interest rates will affect future cash flows of a financial instrument, principally financial debt. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's interest rate risk management includes to maintain a mix between fixed and floating rates for rupee and foreign currency loans, based on liquidity, availability of cost effective instruments and considering the market / regulatory constraints. As at 31 March 2023, approximately 100% of the Company's Long term borrowings are at fixed rate of interest (31 March 2022: 92%).

The sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, on floating rate borrowings is as follows:

Currency	Increase / Decrease in basis points	Effect on profit before tax (₹ in Crore)	Increase / Decrease in basis points	Effect on profit before tax (₹ in Crore)
	31-Mar-2023		31-Mar-2022	
INR	+50	-	+50	(1.35)
US Dollar	+50	-	+50	-
INR	-50	-	-50	1.35
US Dollar	-50	-	-50	-

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

2) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and Borrowings.

The Company manages its foreign currency risk through combination of natural hedge, hedging undertaken on occurrence of pre-determined triggers as per the Risk management policy. The hedging is undertaken through forward contracts.

The sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant and the impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities is tabulated below. The Company's exposure to foreign currency changes for all other currencies is not material.

Currency	Increase / Decrease in %	Effect on profit before tax (₹ in Crore)	Increase / Decrease in %	Effect on profit before tax (₹ in Crore)
	31-Mar-2023		31-Mar-2022	
US Dollar	+5%	(205.36)	+5%	(224.94)
	-5%	205.36	-5%	224.94

Notes to Financial Statements

Note – 36 : Financial Instruments and Risk Factors (Contd..)

The effects of most exchange rate fluctuations are absorbed in business operating results which are offset by changing cost competitiveness, lags in market adjustments to movements in rates to its other non-financial assets like inventory etc. For this reason, the total effect of exchange rate fluctuations is not identifiable separately in the company's reported results.

3) Commodity price risk

The Company is exposed to various commodity price related risk such as Refinery Margins i.e. Differential between the prices of petroleum products & crude oil, inventory valuation fluctuation and crude oil imports etc. As per approved risk management policy, the Company can undertake refinery margin hedging, inventory hedging and crude oil price hedging through swaps, options and futures in the OTC market as well as domestic exchanges to mitigate the risk within the approved limits.

B. Credit risk

1) Trade receivables

Customer credit risk is managed according to the Company's policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. Transactions other than with oil marketing companies are either generally covered by Letters of Credit, Bank Guarantees or cash-and-carry basis.

2) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty so as to minimise concentration of risks and mitigate consequent financial loss.

The Company's maximum exposure to credit risk for the components of the Balance Sheet at 31 March 2023 and 31 March 2022 is the carrying amounts as provided in Note 4, 5, 6, 11 & 12.

C. Liquidity risk

The Company monitors its risk of shortage of funds using detailed cash flow projections which is monitored closely on daily basis. The Company seeks to manage its liquidity requirement by maintaining access to both short term and long term debt markets. In addition, Company has committed credit facilities from banks.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, commercial papers, bank loans and debentures. and finance leases. The Company assessed the concentration of risk and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ in Crore)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31-Mar-2023						
Borrowings	1927.36	-	148.91	2159.19	-	4235.46
Lease obligations	-	1.56	4.30	16.77	1.51	24.14
Trade payables	247.92	2759.19	-	-	-	3007.11
Other financial liabilities	526.37	-	-	6.48	-	532.85
	2701.65	**2760.75**	**153.21**	**2182.44**	**1.51**	**7799.56**

Notes to Financial Statements

Note – 36 : Financial Instruments and Risk Factors (Contd..)

(₹ in Crore)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31-Mar-2022						
Borrowings	5237.69	137.33	1390.47	2457.22	-	9222.70
Lease obligations	-	1.10	3.37	8.60	2.56	15.63
Trade payables	287.59	2952.47	-	-	-	3240.06
Other financial liabilities	523.22	-	-	6.60	-	529.82
	6048.49	**3090.90**	**1393.84**	**2472.42**	**2.56**	**13008.21**

D. Excessive risk concentration

Substantial portion of the Company's sales is to the Holding Company, Indian Oil Corporation Limited. Consequently, trade receivables from IOCL are a significant proportion of the Company's receivables. Since the operations are synchronised with those of the Holding Company, for optimal results, the same does not present any risk.

E. Collateral

As the Company has been rated investment grade by various rating agencies, there has been no requirement of submitting any collateral for booking of derivative contracts. The Company undertakes derivatives contract only with those counterparties that have credit rating above the internally approved threshold rating. Accordingly, the Company does not seek any collaterals from its counterparties.

Note – 37 : Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company monitors capital using debt equity ratio, which is borrowings divided by Equity. The Company's strategy is to keep the debt equity ratio in the range of 2:1 and 1:1 under normal circumstances. The Company also includes accrued interest in the borrowings for the purpose of capital management. The Debt-Equity ratio which impacted due to the lower product cracks arising out of the CoVID-19 situation has improved during the year.

(₹ in Crore)

Particulars	31-Mar-23	31-Mar-22
Borrowings	4235.46	9222.70
Total Borrowings	**4235.46**	**9222.70**
Equity Share Capital	148.91	148.91
Reserves and Surplus	6326.17	2837.82
Equity	**6475.08**	**2986.73**
Debt Equity Ratio	**0.65 : 1**	**3.09 : 1**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2023 and 31st March 2022

Notes to Financial Statements

Note – 38 : Research and Development Costs

Research and Development Expenses of ₹ 3.28 Crore(2022: ₹ 1.46 Crore) of capital expenditure incurred and ₹ 6.44 Crore (2022 ₹ 5.69 Crore) of recurring expenditure have been accounted for in the Statment of Profit and Loss during the year. Detailed break up of total expenditure is as under:

A. Capital Expenses (Property, Plant & Equipment)

₹ in Crore

Asset Block	Gross Block as at 1st Apr 2022	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at 31st Mar 2023	Work-in-Progress as at 1 Apr 2022	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31st Mar 2023	Total Capital Expenditure
1	2	3	4	5	6 = (2+3+4-5)	7	8	9	10 = (7+8-9)	11=(3+8)
Property, Plant & Equipment										
Plant & Equipment	16.40	2.50	-	-	**18.90**	-	-	-	-	**2.50**
Office Equipment	0.81	0.78	-	-	**1.59**	-	-	-	-	**0.78**
Furniture & Fixtures	0.28	-	-	-	**0.28**	-	-	-	-	**-**
Total	**17.49**	**3.28**	**-**	**-**	**20.77**	**-**	**-**	**-**	**-**	**3.28**

B. Recurring Expenses

₹ in Crore

Sl. No	Particulars	31-Mar-23	31-Mar-22
1	Consumption of Stores, Spares & Consumables	0.46	0.57
2	Repairs & Maintenance		
	(a) Plant & Equipment	1.17	0.25
	(b) Others	0.02	-
3	Payment to and Provisions for employees	3.95	4.05
4	Other Expenses	0.85	0.82
	Total	**6.44**	**5.69**

C. Total Research Expenses

₹ in Crore

Particulars	31-Mar-23	31-Mar-22
Capital Expenditure	3.28	1.46
Recurring Expenditure	6.44	5.69
Total	**9.72**	**7.15**

Notes to Financial Statements

Note – 39 : Disclosure Relating to Corporate Social Responsibility (CSR) Expenditure

(₹ in Crore)

Particulars	31-Mar-23	31-Mar-22
Surplus brought forward from previous year	**11.70**	1.96
(i) Gross Amount required to be spent by the company during the year	-	-
(ii) Amount of expenditure incurred	**6.04**	9.73
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous year shortfall	-	-
(v) Reasons for shortfall	-	-
(vi) Details of related party transactions	-	-
(vii) Movement in the provision during the year	**0.26**	0.11
Surplus carried forward to the Next year	**17.74**	11.70

(₹ in Crore)

Nature of CSR activities	31-Mar-23			31-Mar-22		
	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	0.92	0.22	1.14	7.07	0.09	7.17
Swachh Bharat	0.15	-	0.15	0.25	0.01	0.25
Sports	2.17		2.17			
Education/employment vocational skills	1.86	0.06	1.92	1.99	-	1.99
Administration Expenses, training etc.	0.29	-	0.29	0.25	-	0.25
Other expenses	0.38	-	0.38	0.06	0.01	0.07
Total Expenses (ii)	**5.76**	**0.28**	**6.04**	**9.62**	**0.11**	**9.73**
Grand Total (i) and (ii)	**5.76**	**0.28**	**6.04**	**9.62**	**0.11**	**9.73**

*Provisions made for liabilities incurred

(vii) Movement in the provision during the year:

(₹ in Crore)

Particulars	31-Mar-23	31-Mar-22
Opening Balance	0.11	-
Provided during the year	0.28	0.11
Paid during the year	0.02	-
Closing Balance	**0.37**	**0.11**

Note – 40 : Disclosure on Government Grants

A Revenue Grants

1 Stipend to apprentices under NATS scheme

The company has received grant of ₹ 0.64 Crore (2022: ₹ 0.67 crore) in respect of stipend paid to apprentices registered under National Apprenticeship Training Scheme (NATS) and the same has been accounted on net basis against training expenses.

2 EPCG Grant

Grant recognised in respect of duty waiver on procurement of capital goods under EPCG scheme of Central Government which allows procurement of capital goods including spares for pre production and post production at zero duty subject to an export obligations of 6 times of the duty saved on capital goods procured.The unamortized capital grant amount as on March 31, 2023 is ₹ 12.54 Crore (2022: ₹ 8.29 Crore). The company recognised Nil Crore (2022: ₹ Nil Crore) in the statement of profit & loss account as amortisation of revenue grant. The company expects to meet the export obligations in line with the scheme.

Notes to Financial Statements

Note – 40 : Disclosure On Government Grants (Contd..)

B Capital Grants

1 Capital Grant in respect of interest subsidy

The Company has received capital grant in the form of interest subsidy on loans taken from OIDB. The unamortized capital grant amount as on March 31, 2023 is ₹ 1.32 crore (2022:₹ 4.99 crore). During the year, the company has recognised ₹ 0.86 crore (2022: ₹ 1.67 crore) in the statement of profit and loss as amortisation of capital grants.

Note – 41 : Exposure to Financial Derivatives

Financial and Derivative Instruments:

1 All derivative contracts entered into by the Company are for hedging its foreign currency relating to underlying transactions and firm commitments and not for any speculative or trading purposes.

2 The company has no outstanding forward contract as at 31st March 2023(2022 : NIL)

3 Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2023 is given below:

₹ in Crore

S. No	Particulars	As on 31-Mar-2023 Aggregate amount	As on 31-Mar-2022 Aggregate amount
1	Unhedged- Payables	**4737.41**	5077.78
2	Unhedged- Receivables	**630.14**	579.02

Refer Note - 10A - Offsetting Financial Assets and Financial Liabilities

Note – 42 : Revenue From Contracts With Customers

The Company is in the business of refining crude oil and it earns revenue primarily from sale of petroleum products and others. Revenue is recognized when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. In determining the transaction price for the sale of products, the company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Generally, Company enters into contract with customers for sale on EX-MI basis. Majority of Company's sales are to Oil Marketing Companies and Downstream industries for which credit period is less than 1 year. Direct sales to other customers are generally on cash and carry basis. Revenue is recognised when the goods are delivered to the customer by adjusting the amounts deposited by customers, if any.

Bifurcation of Total Revenue into Revenue from contract with customers and other sources of revenue as per requirement of Ind AS 115 is given below;

₹ in Crore

Particulars	2022-23	2021-22
Total Revenue	90892.43	60468.38
Revenue from contract with customers	90801.11	60402.02
Revenue from other contracts / from others	91.32	66.36

No impairment of losses on receivables has been recognised during the current and previous year.

Notes to Financial Statements

Note – 43 : 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 Crore	As % of consolidated profit and loss	₹ in Crore	As % of consolidated other comprehensive income	₹ in Crore	As % of total comprehensive income	₹ in Crore
Parent								
Chennai Petroleum Corporation Limited								
Balance as at 31st March 2023	**96.98%**	**6279.26**	**99.84%**	**3525.87**	**99.25%**	**(13.30)**	**99.84%**	**3512.57**
Balance as at 31st March 2022	93.36%	2788.53	98.85%	1336.44	98.89%	23.24	98.85%	1359.68
Joint ventures (investment as per the equity method of accounting)								
Indian								
1 Indian Additives Limited								
Balance as at 31st March 2023	**3.18%**	**205.95**	**0.16%**	**5.67**	**0.75%**	**(0.10)**	**0.16%**	**5.57**
Balance as at 31st March 2022	6.98%	208.33	1.15%	15.60	1.11%	0.26	1.15%	15.86
2 National Aromatics and Petrochemical Corporation Limited								
Balance as at 31st March 2023	**-0.16%**	**(10.13)**	**0.00%**	**(0.01)**	**-**	**-**	**-**	**-**
Balance as at 31st March 2022	-0.34%	(10.13)	-	(0.01)	-	-	-	-
Total Balance as at 31st March 2023	**100.00%**	**6475.08**	**100.00%**	**3531.53**	**100.00%**	**(13.40)**	**100.00%**	**3518.13**
Balance as at 31st March 2022	100.00%	2986.73	100.00%	1352.03	100.00%	23.50	100.00%	1375.53

Note – 44 : Other Disclosures

1. The 9 MMTPA refinery project at Cauvery Basin Refinery, Nagapattinam was approved by the Board of Directors of Indianoil Corporation, (the holding company) in January 2021 for implementation through a Separate Joint Venture. The Joint Venture Company, Cauvery Basin Refinery and Petrochemicals Ltd (CBRPL). has since been incorporated during the year.

   At the year-end on 31st Mar 2023 an amount of Rs.867.87 Cr and Rs.11.06 Cr, (2022: Rs. 618.46 Cr and Rs. 25.06 Cr) being the actual expenditure and the associated liabilities on the project, which has been considered as Asset/ Liability included in disposal group held for Transfer respectively. This group consists of CWIP, Intangible assets under development, advances for capital expenditure, construction period expenses and liability for capital expenditure amounting to Rs.384.31 Cr (2022: Rs.253.83 Cr), Rs.282.83 Cr (2022: Rs. 259.36 Cr), Rs 20.08 Cr (2022: Rs. 0.24 Cr), Rs 180.65 Cr (2022: Rs 105.03 Cr) and Rs 11.06 Cr (2022: Rs. 25.06 Cr) respectively as at 31st March 2023. The capital commitment as at 31st March 2023 for this group is Rs. 1805.72 Cr (2022: Rs.1545.31 Cr) in respect of this project.

Notes to Financial Statements

Note – 44 : Other Disclosures (Contd..)

As per Joint Venture agreement entered between CPCL, IOCL and other seed investors on 22nd Nov 2022, the expenditure incurred by CPCL on behalf of the Joint Venture shall be considered as CPCL's contribution towards share capital or Quasi-Equity Instruments or as may be decided later as permissible by Applicable law.

The Company is in the process of obtaining necessary approvals from the Administrative Ministry. Upon the receipt of requisite approval, the assets included in the disposal group held for transfer shall be dealt with accordingly.

Cauvery Basin Refinery (CBR) having capacity to process 1 MMTPA crude oil was situated on 618 acres of freehold land in Nagapattinam. The refinery was operated till 2018-19. The Company along with its parent company viz. Indian Oil Corporation Limited and other seed investors viz ICICI Bank Limited, Axis Bank Limited, ICICI Prudential Life Insurance Company Limited, HDFC Life Insurance Company Limited and SBI Life Insurance Company Limited commenced the implementation of a grass root 9 MMTPA Refinery (Project) on the said land. A Joint Venture Company namely Cauvery Basin Refinery and Petrochemicals Limited (CBRPL) was incorporated in January 2023 for implementation and execution of the project.

The new refinery is being set up at the same location in Nagapattinam utilizing CPCL's land besides additional land being acquired for the project.

618 acres of freehold (carrying value: Rs.10.67 Crore) is being used for the project which will be implemented and executed by a separate Joint Venture Company (CBRPL)

The arrangement (sale, lease or any other arrangement) under which the project of CBRPL is being established in the land is yet to be decided by the company as it requires prior sanction of the Government of Tamil Nadu

2. The Company has refineries at two locations viz., Manali and Nagapattinam (Cauvery Basin Refinery - CBR). The operations of the CBR unit have been stopped from 01.04.2019. Accordingly, the value in use was negative and, the recoverable value of the assets was reviewed and it was estimated that there would not be any recoverable value for the same and impairment loss was recognised.

Some of the Assets to the extent of gross block of Rs. 17.09 crore and accumulated Depreciation of Rs. 11.00 crore in respect of which impairment to the extent of Rs. 6.09 crore was provided, has been dismantled and scrapped during the year. Impairment provision of Rs. 93.66 crore is continued in respect of the balance Assets.

3. The Government of India w.e.f. 01.07.2022, levied Duties on Export of Petroleum products at the rates notified on fortnightly basis, which have been reckoned in the Refinery Transfer Pricing. This has resulted in lower revenue realisations with significant impact on the profitability for and upto the quarter.

4. As part of CSR activities, CPCL sponsors polytechnic college, for which twenty acres of land of the company has been leased to the CPCL Educational Trust for a period of 50 years.

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

(b) The company has valid title for all immovable properties. However, in respect of 186.93 acres of land allotted by Government of Tamil Nadu (classified as Poramboke) assignment deed is yet to be received. Out of this, value is to be determined by Government of Tamilnadu in respect of 135.93 acres.

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

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

Notes to Financial Statements

Note – 44 : Other Disclosures (Contd..)

7. There are no other significant subsequent events that require adjustments or disclosures in the financial statements as at balance sheet date, other than those disclosed above.

8. Other disclosures as required under Schedule III to the Companies Act, 2013

(i) Title deeds of Immovable properties not held in the name of company

Relevant item in Balance sheet	Gross carrying value (Rs. In Crore)		Acres	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Under Dispute (Yes/ No)	Reason for not being held in the name of the company
	31.03.2023	31.03.2022						
PPE - Freehold Land	Nil	Nil	40.69 acres	CPCL*	Not applicable	26.04.1990	No	The Tamilnadu Government has allotted the land for which permission to enter upon the land dated 26.04.1990 is available. However assignment deed is not yet executed.
PPE - Freehold Land	0.18	0.18	50.93 acres	CPCL*	Not applicable	31.05.1984	No	GO No. 605 dt 31.05.1984 directs to handover the possession of property to Company. However, assignment deed is not yet executed.
PPE - Freehold Land	Nil	Nil	94.39 acres	CPCL*	Not applicable	03.12.2001 & 20.02.2009	No	The Tamilnadu Government has allotted the land for which permission to enter upon the land dated 03.12.2001 & 20.02.2009 is available. However, assignment deed is not yet executed.

*Subject to reasons mentioned

(ii) The company has following transactions/balances with companies, struck off under Section 248 of the Companies Act, 2013 /Section 560 of Companies Act, 1956.

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at current period Rs in Crore	Relationship with the struck off company	Balance outstanding as at previous period Rs in Crore	Relationship with the struck off company
Argus media	Trade payables	0.000	Not a related party	0.000	Not a related party
Skpei engineering works private ltd	Trade payables	0.003		0.003	
Aspen technology inc.	Trade payables	0.000		0.000	
Arun tech indt services pvt ltd	Trade payables	0.000		0.005	
Mcog engg and fabrication pvt ltd	Trade payables	0.000		0.000	
Polycab wires & cables pvt ltd	Trade payables	0.000		0.000	
Alliance aviation private limited	Trade payables	0.000		0.000	
The national sugar mills ltd	Customer Advances	0.009		0.004	
Sri anjaneya agro tech private limited	Customer Advances	0.000		0.000	
Total		**0.012**		**0.012**	

9. Previous year's comparative figures have been regrouped, reclassified and recast wherever necessary and the related disclosures are included in the respective notes.

Notes to Financial Statements

Note – 45 : Statement Containing Salient Features of the Financial Statement of Subsidiaries/ Associate Companies/Joint Ventures (FORM AOC-I)

Part A : Subsidiaries

Not applicable as there are no subsidiaries

Part "B" : Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures (FORM AOC-I)

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-2023	31-Mar-2023
2	Date on which the Associate or Joint Venture was associated or acquired	13-Jul-89	10-May-89
3	Shares of Associate / Joint Ventures held by the company on the year end		
	i) No.	1183401	25000
	ii) Amount of Investment in Associates / Joint Ventures	11.83	0.03
	iii) Extent of Holding	50.00%	50.00%
4	Description of how there is significant influence	Joint venture	Joint venture
5	Reason why the associate / Joint ventures is not consolidated	Consolidated	Consolidated
6	Net worth attributable to shareholding as per latest audited balance sheet	205.95	(10.13)
7	Profit / (Loss) for the year		
	I) Considered in Consolidation	5.67	(0.01)
	II) Not Considered in consolidation	5.67	(0.01)

As per our attached Report of even date

For G.M.Kapadia & Co.
Chartered Accountants
(FRN: 104767W)

for and on behalf of Board of Directors

Satya Ranjan Dhall
Partner
Membership No. 214046

(Arvind Kumar)
Managing Director
DIN - 09224177

(Rohit Kumar Agrawala)
Director (Finance)
DIN - 10048961

(P.Shankar)
Company Secretary
ACS -7624

Place : Chennai
Date : 27-Apr-2023

भारतीय लेखा तथा लेखापरीक्षा विभाग
प्रधान निदेशक वाणिज्यिक लेखापरीक्षा का कार्यालय, चेन्नै

सत्यमेव जयते

CONFIDENTIAL

Indian Audit and Accounts Department
Office of the Principal Director of Commercial Audit, Chennai

No. PDCA/CA-I/4-514/2023-24/229 **Date: 05.07.2023**

To

The Managing Director,
Chennai Petroleum Corporation Limited,
Manali, Chennai – 600 068

Sir,

Sub: Revised Comments of the Comptroller and Auditor General of India under section 143 (6)(b) of the Companies Act, 2013 on the Standalone and Consolidated Financial Statements of Chennai Petroleum Corporation Limited for the year ended 31 March 2023.

Ref: This office Letter No. PDCA/CA-I/4-514/2023-24/78 dated 19.06.2023

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In continuation of this office letter cited above, I am to forward herewith the revised comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013, on the Standalone and Consolidated Financial Statements of Chennai Petroleum Corporation Limited for the year ended 31 March 2023.

Five copies of Annual Report of your company may kindly be arranged to be forwarded to this office. The date of holding of Annual General Meeting may also be intimated please.

Receipt of this letter may kindly be acknowledged.

Yours faithfully,

S. Velliangiri

(S. Velliangiri)
Principal Director of Commercial Audit

Encl: Audit Certificate

इंडियन ऑयल भवन, स्तर - 2,139 , महात्मा गाँधी मार्ग, चेन्नै- 600034
Indian Oil Bhavan, Level- 2, 139, Mahatma Gandhi Road, Chennai - 600034
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COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF CHENNAI PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2023

The preparation of financial statements of Chennai Petroleum Corporation Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 April 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Chennai Petroleum Corporation Limited for the year ended 31 March 2023 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. After the audit, comment of C&AG was issued on 19 June 2023 pointing out that the company has not disclosed that the new 9 MMTPA refinery project being executed by a separate Joint Venture company (CBRPL), at the same location in Nagapattinam utilising CPCL's land (measuring 618 acres; carrying value of ₹ 10.67 crore) for which the sale/lease arrangement etc. is yet to be decided by the company as it requires prior sanction of the Government of Tamil Nadu.

Based on the comments, the company disclosed these facts vide Note No-44 on Other Disclosures. The same was also endorsed by statutory auditors.

After carrying out necessary modification in the annual financial statements by the Management on the basis of CAG's comments, no further comments are given on the standalone financial statements for the year ended 31 March 2023.

For and on behalf of the
Comptroller & Auditor General of India

S. Velliangiri

(S. Velliangiri)
Principal Director of Commercial Audit

Place: Chennai
Date: 05 July 2023

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CHENNAI PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2023

The preparation of consolidated financial statements of Chennai Petroleum Corporation Limited for the year ended 31 March 2023 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 27 April 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Chennai Petroleum Corporation Limited for the year ended 31 March 2023 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Chennai Petroleum Corporation Limited but did not conduct supplementary audit of the financial statements of Indian Additives Limited, National Aromatics and Petrochemicals Corporation Limited and Cauvery Basin Refinery and Petrochemicals Limited for the year ended on that date. Further, sections 139(5) and 143(6)(b) of the Act are not applicable to Indian Additives Limited, National Aromatics and Petrochemicals Corporation Limited and Cauvery Basin Refinery and Petrochemicals Limited being private entities for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India is not required to appoint the statutory Auditors or conduct 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. After the audit, comment of C&AG was issued on 19 June 2023 pointing out that the company has not disclosed that the new 9 MMTPA refinery project is being executed by a separate Joint Venture company (CBRPL), at the same location in Nagapattinam utilising CPCL's land (measuring 618 acres; carrying value of ₹ 10.67 crore) for which the sale/lease arrangement etc. is yet to be decided by the company as it requires prior sanction of the Government of Tamil Nadu.

Based on the comments, the company disclosed these facts vide Note No-44 on Other Disclosures. The same was also endorsed by statutory auditors.

After carrying out necessary modification in the annual financial statements by the Management on the basis of CAG's comments, no further comments are given on the consolidated financial statements for the year ended 31 March 2023.

For and on behalf of the
Comptroller & Auditor General of India

S. Velliangiri

(S. Velliangiri)
Principal Director of Commercial Audit

Place: Chennai
Date: 05 July 2023

NOTES

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CPCL

Chennai Petroleum Corporation Limited (CPCL) operates one of the complex refineries in the country at Manali near Chennai. The 10.5 Million Metric Tonnes Per Annum (MMTPA) refinery produces petroleum products including Lubes and Waxes and caters to the energy needs of Tamil Nadu and neighboring States.

The Wax produced in CPCL generates employment opportunities for about 30,000 people in the small scale sector in the Southern part of the Country.

To meet the growing energy demand of the region, CPCL, in a joint venture with IOCL is setting up a grass root refinery of 9 MMTPA capacity along with petrochemicals at Nagapattinam in Tamil Nadu.

For over five decades, CPCL has taken up many integrated sustainability initiatives as part of its business strategies and we are committed towards protecting our natural resources.

On this World Environment Day, CPCL re-dedicates itself towards protection of environment.

Fore runner to set up Wind Mill farm 17.6 MW

Fuel switching to RLNG CO_2 emissions reduced 0.35 MMTPA

Asia's first City Sewage Reclamation Plant 5.0 MGD

Sea Water Desalination Plant 5.8 MGD

Compliant to BSVI norm fuels

1.25 MW Solar Plant

Zero Liquid Discharge

152 acres afforestation

Water Sustainability