

चेन्नै पेट्रोलियम कॉर्पोरेशन लिमिटेड

(इंडियनऑयल की ग्रुप कम्पनी)

Chennai Petroleum Corporation Limited

(A group company of IndianOil)



CS:01:007

03.06.2020

National Stock Exchange of India Ltd.
"Exchange Plaza", Bandra-Kurla Complex,
Bandra (East)
MUMBAI - 400 051

BSE Ltd
Floor .No.25, PJ Towers, Dalal Street
MUMBAI- 400001

Sir

Sub.: Intimation on impact of Covid Pandemic in CPCL

This has reference to letter number SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20.05.2020 on the above subject. In this connection, we provide the following information :

The International prices of Crude and Products crashed on account of demand destruction due to the COVID-19 pandemic situation and the consequent lockdown from 25th March 2020 in India impacted the business of the Company. Consequently lower demand for crude oil and petroleum products has impacted the prices and refining margins of the company.

Due to the above, our finished goods, intermediates and raw material inventory have been valued at net realizable value/replacement costs as on 31st March 2020. This has resulted in significant inventory write down of Rs 1456 Crore

The Company is continuing with scaled down operations at around 60% currently. Management is expecting that demand for products will improve over next few weeks /months as more and more sectors of the economy are opened up. The lower demand and resultant inventory build-up has led to increase in short term borrowings which is expected to get normalised based on turnaround in demand situation and stabilisation of international prices of crude and products.

Necessary steps as per the guidelines issued by Centre and State have been taken to ensure safe work environment for all Stakeholders. Wherever necessary, employees were required to Work from Home and they shall compulsorily attend duty for 3 days in a week.

Management has assessed the potential impact of COVID 19 based on the current circumstances and expects no significant impact on the continuity of operations of the business on long term basis/ on useful life of the assets/ on financial position etc. though there may be lower revenues and refinery throughput in the near term.

Thanking you,

Yours faithfully,
for **Chennai Petroleum Corporation Limited**

P. Shankar
P.SHANKAR
COMPANY SECRETARY

आई एस ओ 9001:2008, आई एस ओ 14001:2004, बी एस ओ एच एस ए एस 18001:2007 प्रमाणित कम्पनी / An ISO 9001:2008, ISO 14001:2004, BS OHSAS 18001:2007 Certified company

कम्पनी की सी आई एन एल 40101 टी एन 1965 जी ओ आई 005389 / The CIN of the Company is L 40101 TN 1965 GOI 005389

मणली, चेन्नै / Manali, Chennai - 600 068, फोन / Phone : 2594 4000 to 09, वेबसाइट/Website : www.cpcl.co.in

पंजीकृत कार्यालय : 536, अण्णा सालै, तेनाम्पेट, चेन्नै - 600 018 / Regd. Office : 536, Anna Salai, Teynampet, Chennai - 600 018. फोन/Phone : 24349232, 24349833, 24349294, फैक्स/Fax : +91-44-24341753