STANDALONE FINANCIAL STATEMENTS 2017-18

INDEPENDENT AUDITORS' REPORT

To
The Members of Chennai Petroleum Corporation Limited
Chennai

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

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

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

according to the explanations given to us:

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

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

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

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

R.Kumarasubramanian
Partner
Membership No: 021888

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

V.C.Krishnan
Partner
Membership No: 022167

Place: Chennai
Date:10th May 2018

Annexure- A to Independent Auditors' Report

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

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

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

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

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

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

R.Kumarasubramanian
Partner
Membership No: 021888

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

V.C.Krishnan
Partner
Membership No: 022167

Place: Chennai
Date:10th May 2018

Annexure- B to Independent Auditors' Report

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

R.Kumarasubramanian
Partner
Membership No: 021888

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

V.C.Krishnan
Partner
Membership No: 022167

Place: Chennai
Date:10th May 2018

Annexure C to the Auditors' Report

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

R.Kumarasubramanian
Partner
Membership No: 021888

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

V.C.Krishnan
Partner
Membership No: 022167

Place: Chennai
Date:10th May 2018

Statement of Disputed Dues

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

Statement of Disputed Dues

Annexure - I

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

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STANDALONE BALANCE SHEET AS AT 31ST MARCH 2018

(₹ in Lakhs)

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

(S N Pandey)
Managing Director

(Rajeev Ailawadi)
Director (Finance)

(P.Shankar)
Company Secretary

As per our attached Report of even date

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

R. Kumarasubramanian
Partner
Membership No. 021888

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

V.C. Krishnan
Partner
Membership No. 022167

Place : Chennai
Date : 10-May-2018

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

(₹ in Lakhs)

	Particulars	Note	31-Mar-18	31-Mar-17
I.	**Revenue from operations**	**21**	**4418848.49**	4060751.54
II.	**Other income**	**22**	**3875.55**	4004.97
III.	**Total Income (I + II)**		**4422724.04**	4064756.51
IV.	**Expenses:**			
	Cost of materials consumed	**23**	**2931344.81**	2425578.38
	Purchase of Stock-in-Trade		**40062.17**	15957.40
	Changes in Inventories (Finished Goods and Work-In Progress)	**24**	**(60669.53)**	10502.81
	Excise Duty (Including duty on inventory difference ₹ 5796.30 Lakhs (2017: ₹ (17152.05) Lakhs)		**1166118.54**	1291598.07
	Employee benefits expense	**25**	**58175.67**	51288.36
	Finance costs	**26**	**32085.63**	27278.21
	Depreciation and Amortisation expense on:			
	a) Tangible Assets		**33878.98**	27817.53
	b) Intangible Assets		**141.34**	45.54
	Impairment of Non Current Asset		**432.77**	6178.65
	Other expenses	**27**	**75329.56**	72006.96
	Total Expenses (IV)		**4276899.94**	3928251.91
V.	**Profit/(Loss) before Exceptional items and tax (III - IV)**		**145824.10**	136504.60
VI.	**Exceptional Items**		**-**	-
VII.	**Profit/(Loss) before tax (V + VI)**		**145824.10**	136504.60
VIII.	**Tax expense:**	**7**		
	(1) Current tax [Includes ₹ 3138.80 Lakhs(2017: NIL) relating to prior years]		**36666.33**	30803.18
	(2) Deferred tax [Includes ₹ 1523.25 Lakhs(2017: NIL) relating to prior years]		**17864.94**	2726.24
IX.	**Profit/(loss) for the year from continuing operations (VII-VIII)**		**91292.83**	102975.18
X.	Profit/(loss) from discontinued operations		**-**	-
XI.	Tax expense of discontinued operations		**-**	-
XII.	**Profit/(loss) from Discontinued operations(after tax) (X - XI)**		**-**	-
XIII.	**Profit / (loss) for the year (IX + XII)**		**91292.83**	102975.18
XIV.	**Other Comprehensive Income**	**28**		
A.	(i) Items that will not be reclassified to profit or loss		**942.87**	(869.24)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	**7**	**(329.48)**	300.83
B.	(i) Items that will be reclassified to profit or loss		**-**	-
	(ii) Income Tax relating to items that will be reclassified to profit or loss		**-**	-
XV.	**Total Comprehensive Income for the year (XIII + XIV) (Comprising Profit/ (Loss) and Other Comprehensive Income for the year)**		**91906.22**	102406.77
XVI.	**Earning per equity share:**			
	(1) Basic (₹)		**61.31**	69.15
	(2) Diluted (₹)		**61.31**	69.15
	See accompanying notes to the financial statements	**1 - 42**		

(S N Pandey) **Managing Director**	**(Rajeev Ailawadi)** **Director (Finance)**	**(P.Shankar)** **Company Secretary**

As per our attached Report of even date

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

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

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

V.C. Krishnan
Partner
Membership No. 022167

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

(a) Equity Share Capital (₹ in Lakhs)

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

(b) Other equity (₹ in Lakhs)

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

(₹ in Lakhs)

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

(S N Pandey)
Managing Director

(Rajeev Ailawadi)
Director (Finance)

(P.Shankar)
Company Secretary

As per our attached Report of even date

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

R. Kumarasubramanian
Partner
Membership No. 021888

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

V.C. Krishnan
Partner
Membership No. 022167

Place : Chennai
Date : 10-May-2018

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

(₹ in Lakhs)

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

Notes :

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

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

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

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

(S N Pandey)
Managing Director

(Rajeev Ailawadi)
Director (Finance)

(P.Shankar)
Company Secretary

As per our attached Report of even date

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

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

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

V.C. Krishnan
Partner
Membership No. 022167

Note-1A Corporate Information & Significant Accounting Policies

A. Corporate Information

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

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

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

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

B. Amendments to Standards effective 1st April,2017

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

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

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

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

C. Standards issued but not yet effective

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

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

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

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

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

D. Significant Accounting Policies

1. BASIS OF PREPARATION

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

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

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

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

2. FIXED ASSETS

2.1. Property, Plant and Equipment (PPE)

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

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

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

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

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

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

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

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

2.2. Construction Period Expenses on Projects:

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

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

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

2.3. Capital Stores (included in CWIP)

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

2.4. Intangible assets

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

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

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

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

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

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

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

2.5. Depreciation / Amortisation

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

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

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

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

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

3. LEASES

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

3.1.2. **Operating Leases as a lessee**

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

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

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

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

3.1.3. **Operating Leases as a lessor**

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

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

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

3.1.4. **Finance leases as lessee**

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

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

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

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

4. IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

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

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

5. BORROWING COSTS

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

6. FOREIGN CURRENCY TRANSACTIONS

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

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

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

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

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

7. INVENTORIES

7.1. Raw Materials & Stock-in-Process

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

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

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

7.2. Finished Products and Stock-in-Trade

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

7.3. Stores and Spares

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

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

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

8. PROVISIONS, CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

8.1. Provisions

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

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

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

8.2. Contingent Liabilities

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

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

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

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

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

8.3. Capital Commitments

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

9. REVENUE RECOGNITION

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

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

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

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

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

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

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

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

10. EXCISE DUTY

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

11. TAXES ON INCOME

11.1. Current income tax

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

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

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

11.2. Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences

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

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

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

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

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

12. EMPLOYEE BENEFITS

12.1. Short Term Benefits

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

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

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

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

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

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

12.3. Termination Benefits

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

12.4. Remeasurements

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

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

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

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

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

13. GRANTS

13.1. Capital Grants

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

13.2. Revenue Grants

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

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

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

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

14. CURRENT VERSUS NON-CURRENT CLASSIFICATION

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

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

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

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

14.4. A liability is current when:

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

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

15. FINANCIAL INSTRUMENTS

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

15.1. Financial assets

15.1.1. Initial recognition and measurement

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

15.1.2. Subsequent measurement

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

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

15.1.3. Financial Assets at amortised cost

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

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

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

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

15.1.4. Debt instrument at FVTOCI

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

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

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

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

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

15.1.5. Equity instrument at FVTOCI

A. Equity investments (Other than subsidiaries, JVs and associates)

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

There is no recycling of the amounts from OCI to P&L, even on sale of investment.

B. Equity investments in JVs and associates

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

15.1.6. Debt Instruments and derivatives at FVTPL

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

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

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

15.1.7. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement: and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

15.2. Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance; and

b. Lease receivables under Ind AS 17

Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance, if any, on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

General Approach

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

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

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

15.3. Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives, if any, are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative instrument Initial recognition / Subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Commodity contracts

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

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

16. FAIR VALUE MEASUREMENT

16.1. The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

16.2. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

16.3. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

16.4. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

16.5. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

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

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

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

17. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

18. CASH FLOW STATEMENT

Cash flow statement are reported using the indirect method, whereby net profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

Note – 1B : SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. These include recognition and measurement of financial instruments, estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, measurement of employee benefits, actuarial assumptions, provisions etc.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

JUDGEMENTS

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

Contingencies

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

ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans / Other Long term employee benefits

The cost of the defined benefit plans and other long term employee benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. The management considers the interest rates of government securities based on expected settlement period of various plans.

Further details about various employee benefit obligations are given in Note 32.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model based on level-2 and level-3 inputs. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as price estimates, volume estimates, rate estimates etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also refer Note-35 for further disclosures of estimatesand assumptions.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less cost of disposal used to determine the recoverable amounts of the impaired assets are not based on observable market data, rather, management's best estimates. The value in use calculation is based on a DCF model. The cash flows do not include impact of significant future investments that may enhance the asset's performance of the CGU being tested. The results of impairment test are sensitive to changes in key judgements, such as changes in commodity prices, future changes in alternate use of assets etc, which could result in increase or decrease of the recoverable amounts and result in additional impairment charges or recovery of impairment charged.

Refer Note 42.1 on impairment recognized during the year.

Note – 2 : PROPERTY, PLANT AND EQUIPMENT

Current Year.

(₹ in Lakhs)

	Particulars	Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant and Equipment	Office Equipments	Transport Equipments	Furniture and Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	Total
GROSS BLOCK		Note: A			Note: B				Note: C		Note: E
	Gross Block as at 1st April 2017	4004.68	591.99	13721.99	421896.55	1707.76	955.52	884.82	0.30	1873.33	445636.94
	Additions during the Year	425.89	-	4562.81	231171.31	556.50	138.94	526.64	-	157.28	237539.37
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	(5.35)	(194.75)	(42.87)	(14.34)	(48.35)	-	-	(305.66)
	Gross Block as at 31st March 2018	**4430.57**	**591.99**	**18279.45**	**652873.11**	**2221.39**	**1080.12**	**1363.11**	**0.30**	**2030.61**	**682870.65**
DEPRECIATION, AMORTISATION AND IMPAIRMENT	Depreciation and Amortisation as at 1st April 2017	-	14.08	1438.70	50798.56	689.31	92.59	354.15	-	224.84	53612.23
	Depreciation and Amortisation during the Year.	-	7.04	571.77	32473.65	450.50	75.73	201.44	-	98.85	33878.98
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	(0.36)	(35.14)	(23.46)	(0.67)	(17.83)	-	0.02	(77.44)
	Total Depreciation and Amortisation upto 31st March 2018	**-**	**21.12**	**2010.11**	**83237.07**	**1116.35**	**167.65**	**537.76**	**-**	**323.71**	**87413.77**
	Total Impairment Loss as at 1st April 2017	-	-	1469.74	2752.80	-	-	-	-	19.06	4241.60
	Impairment Loss during the Year (Note: D)	-	-	6.63	2334.98	-	-	-	-	-	2341.61
	Impairment loss reversed during the Year	-	-	-	-	-	-	-	-	-	-
	Total Impairment Loss upto 31st March 2018	**-**	**-**	**1476.37**	**5087.78**	**-**	**-**	**-**	**-**	**19.06**	**6583.21**
NET BLOCK	**AS AT 31st March 2018**	**4430.57**	**570.87**	**14792.97**	**564548.26**	**1105.04**	**912.47**	**825.35**	**0.30**	**1687.84**	**588873.67**
	AS AT 31st March 2017	4004.68	577.91	10813.55	368345.19	1018.45	862.94	530.67	0.30	1629.43	387783.12

Previous Year.

(₹ in Lakhs)

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

A. Gross block of Land includes ₹ 18.36 Lakhs deposited towards 50.93 acres of Land for which assignment deed is yet to be received from Govt. of TamilNadu.

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

C. Represents 5/24 share of total cost of the Railway Siding jointly owned by the Company along with Madras Fertilizers Limited, Madras Petrochem Limited, Steel Authority of India Limited and Rashtriya Ispat Nigam Limited.

D. Impairment loss pertains to Cauvery Basin Refinery (refer Note 42.1)

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

Details of assets under finance lease included above (Refer-Note-15(D)&33(B))

(₹ in Lakhs)

	Particulars	Plant and Equipment	Buildings	Total
GROSS BLOCK	Gross Block as at 1st April 2017	995.33	825.54	1820.87
	Additions during the Year	-	-	-
	Reclassification	(995.33)	(825.54)	(1820.87)
	Gross Block as at 31st March 2018	-	-	-
DEPRECIATION AND AMORTISATION	Depreciation and Amortisation as at 1st April 2017	103.06	70.85	173.91
	Depreciation and Amortisation during the Year	38.65	26.57	65.22
	Reclassification	(141.71)	(97.42)	(239.13)
	Total Depreciation and Amortisation upto 31st March 2018	-	-	-
NET BLOCK	**AS AT 31st March 2018**	-	-	-
	AS AT 31st March 2017	892.27	754.69	1646.96

Additions to Gross Block Includes:

(₹ in Lakhs)

Asset Particulars	Borrowing Cost	
	31-Mar-18	31-Mar-17
Buildings	**507.72**	-
Plant and Equipment	**17681.67**	-
Total	**18189.39**	-

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

Sl.No	Particulars	Note		31-Mar-18	31-Mar-17
1	Construction Work in Progress - Fixed Assets				
	(Including unallocated capital expenditure, materials at site)				
	Balance as at beginning of the year		276675.20		165970.69
	Add: Additions during the year		96149.04		114598.24
	Less: Allocated/ Capitalised during the year		231377.32		3893.73
			141446.92		276675.20
	Less: Provision for Capital Losses		1307.66		1307.84
	Less: Impairment Loss	A	-		1908.84
				140139.26	273458.52
2	Capital stores balance as at beginning of the year		2502.79		2708.70
	Add: Additions during the year		29422.05		6106.11
	Less: Allocated during the year		30799.31		6312.02
			1125.53		2502.79
	Less: Provision for Capital Losses		300.57		300.57
	Capital stores			**824.96**	2202.22
3	Capital Goods in Transit			**15.98**	-
4	Construction Period Expenses pending allocation:				
	Net expenditure during the year (Note -"2.2")		11925.16		11717.10
	Less: Allocated during the year		11925.16		11717.10
				-	-
	TOTAL	**B**		**140980.20**	275660.74

A Impairment loss pertains to Cauvery Basin Refinery (refer Note 42.1)
B The cost of assets includes EPCG benefit (net of CENVAT), wherever applicable

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

Particulars	31-Mar-18	31-Mar-17
1 Employee Benefit expenses	**1804.35**	1311.05
2 Power & Fuel	**2275.03**	282.69
3 Finance Cost	**7745.35**	10046.42
4 Travelling Expenses and Others	**100.43**	76.94
Net Expenditure during the year	**11925.16**	11717.10
Effective weighted average interest rate of borrowings eligible for capitalisation (Rate in %)	**7.92**	8.51

Note – 3: INTANGIBLE ASSETS

(1) Intangible assets with definite useful life

Current Year :

(₹ in Lakhs)

	Particulars	Computer Software	Technical Know-How, Royalty and Licenses	Total
GROSS BLOCK	Gross Block as at 1st April 2017	81.18	576.01	657.19
	Additions during the Year	9.71	2110.29	2120.00
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Gross Block as at 31st March 2018	**90.89**	**2686.30**	**2777.19**
AMORTISATION AND IMPAIRMENT	Amortisation as at 1st April 2017	56.42	99.13	155.55
	Amortisation during the Year	12.49	128.85	141.34
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Total Amortisation upto 31st March 2018	**68.91**	**227.98**	**296.89**
	Total Impairment Loss as at 1st April 2017	1.32	-	1.32
	Impairment Loss during the Year (A)	-	-	-
	Impairment loss reversed during the Year	-	-	-
	Total Impairment Loss upto 31st March 2018	**1.32**	**-**	**1.32**
NET BLOCK	**AS AT 31st March 2018**	**20.66**	**2458.32**	**2478.98**
	AS AT 31st March 2017	23.44	476.88	500.32

Previous Year :

(₹ in Lakhs)

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

(2) Intangible assets with indefinite useful life

Current Year :

(₹ in Lakhs)

	Particulars	Right of Way
GROSS BLOCK	Gross Block as at 1st April 2017	26.88
	Additions during the Year	-
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-
	Gross Block as at 31st March 2018	**26.88**
AMORTISATION AND IMPAIRMENT	Total Impairment Loss as at 1st April 2017	26.88
	Impairment Loss during the Year (A)	-
	Impairment loss reversed during the Year	-
	Total Impairment Loss upto 31st March 2018	**26.88**
NET BLOCK	**AS AT 31st March 2018**	-
	AS AT 31st March 2017	-

Previous Year :

(₹ in Lakhs)

	Particulars	Right of Way
GROSS BLOCK	Gross Block as at 1st April 2016	26.88
	Additions during the Year	-
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-
	Gross Block as at 31st March 2017	**26.88**
AMORTISATION AND IMPAIRMENT	Total Impairment Loss as at 1st April 2016	
	Impairment Loss during the Year (A)	26.88
	Impairment loss reversed during the Year	-
	Total Impairment Loss upto 31st March 2017	**26.88**
NET BLOCK	**AS AT 31st March 2017**	-
	AS AT 31st March 2016	26.88

(A) Impairment loss pertains to Cauvery Basin Refinery (refer Note 42.1)

Note – 3.1 : INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Lakhs)

Particulars		31-Mar-18	31-Mar-17
Work in Progress - Intangible Asset:			
Balance as at beginning of the year	596.98		596.98
Add: Net expenditure during the year	1513.31		-
	2110.29		596.98
Less: Allocated during the year	2110.29		-
		-	596.98
TOTAL		-	596.98

Note : Pertains to Property, Plant and Equipment under construction

Note – 4 : INVESTMENT IN JOINT VENTURES

(₹ in Lakhs)

Sl. No	Particulars	No. and Particulars	Face Value per share(₹)	Non-current	
				31-Mar-18	31-Mar-17
I	**Investments in equity shares**				
1	**Unquoted:**				
a)	**Investment in Joint Venture Companies:**				
	Indian Additives Ltd.	1183401 Equity Shares fully paid	100	**1183.40**	1183.40
	National Aromatics and Petrochemical Corporation Limited	25000 Equity Shares fully paid	10	**2.50**	2.50
	Less: Provision for Diminution			**2.50**	2.50
				-	-
	TOTAL			**1183.40**	1183.40
	Aggregate value of unquoted investments			**1185.90**	1185.90
	Aggregate amount of provision for value of investments			**2.50**	2.50

Note – 4.1 : INVESTMENTS

(₹ in Lakhs)

Sl. No	Particulars	No. and Particulars	Face Value per share(₹)	Non-current	
				31-Mar-18	31-Mar-17
I	**Other Investments:** **Investments at fair value through OCI (fully paid):**				
a)	Biotech Consortium India Ltd	100000 Equity Shares fully paid	10	**10.00**	10.00
b)	MRL Industrial Cooperative Service Society Ltd	9000 Shares fully paid	10	**0.90**	0.90
	TOTAL		A	**10.90**	10.90
	Aggregate value of unquoted investments			**10.90**	10.90
	Aggregate amount of impairment in value of investments			**-**	-

A Fair Value approximates carrying value

Note – 5 : LOANS

(₹ in Lakhs)

Sl. No	Particulars	Note	Non - Current			Current		
				31-Mar-18	31-Mar-17		31-Mar-18	31-Mar-17
1	**Security Deposits:**							
	To Others							
	i) Unsecured, Considered Good			**92.94**	84.90		**954.64**	1144.73
2	**Loans:**							
	To Related Parties							
	i) Secured, Considered Good	**A.1**	3.58		3.74	0.90		0.84
	ii) Unsecured, Considered Good	**A.2**	0.24		1.84	1.71		2.28
			3.82		5.58	**2.61**		3.12
	To Others							
	i) Secured, Considered Good		2131.56		2054.28	565.62		467.15
	ii) Unsecured, Considered Good		1257.70		1234.17	823.78		1085.17
			3389.26		3288.45	**1389.40**		1552.32
	Sub Total			**3393.08**	3294.03		**1392.01**	1555.44
	TOTAL			**3486.02**	3378.93		**2346.65**	2700.17

NOTES:

	Non - Current 31-Mar-18	Non - Current 31-Mar-17	Current 31-Mar-18	Current 31-Mar-17
A.1 Includes:				
1 Due from Directors	**0.69**	0.25	**0.29**	0.34
2 Due from Officers	**2.89**	3.49	**0.61**	0.50
A.2 Includes:				
1 Due from Directors	**-**	1.32	**1.39**	1.55
2 Due from Officers	**0.24**	0.52	**0.32**	0.73

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

(₹ in Lakhs)

	Particulars	Amount as on		Maximum Amount outstanding during the year ended	
		31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
I.	Loans and Advances in the nature of loans:				
A)	To Parent Company	-	-	-	-
B)	To Associates /Joint Venture	-	-	-	-
C)	To Firms/Companies in which directors are interested	-	-	-	-

Note – 6 : OTHER FINANCIAL ASSETS **(₹ in Lakhs)**

Sl. No	Particulars	Non - Current 31-Mar-18	Non - Current 31-Mar-17	Current 31-Mar-18		Current 31-Mar-17
1	**Deposit for Leave Encashment Fund**	**4780.13**	4740.67		**-**	-
2	**Interest Accrued on Investments/ Bank Deposits/ Loans**	**-**	-		**4.15**	2.47
3	**Claims Recoverable :**					
	a) From Related Parties					
	i) Unsecured, Considered Good	-	-	1.29		140.00
	ii) Unsecured, Considered Doubtful	-	-	2158.73		2156.81
		-	-	**2160.02**		2296.81
	b) Others					
	i) Unsecured, Considered Good	-	-	2450.96		753.38
	ii) Unsecured, Considered Doubtful	-	-	650.08		584.17
		-	-	**3101.04**		1337.55
	Less : Provision for Doubtful Claims	-	-	2808.81		2740.98
	Sub Total	-	-		**2452.25**	893.38
4	**Other Financial Assets**	-	-		**149.06**	223.59
	TOTAL	**4780.13**	4740.67		**2605.46**	1119.44

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

(₹ in Lakhs)

Particulars	Non-Current		Current	
	31-Mar-18	31-Mar-17	**31-Mar-18**	31-Mar-17
Tax Asset/ (Liability) - Net (Current)				
Advance payments for Current Tax	66622.49	-	-	31254.15
Less: Provision for Current Tax	65462.58	-	-	33061.88
Current Tax Asset/ (Liability) - Net	**1159.91**	-	-	(1807.73)
TOTAL	**1159.91**	-	-	(1807.73)

(I) Reconciliation between the average effective tax rate and the applicable tax rate is as below:

Particulars	31-Mar-18	31-Mar-17
Accounting profit		
Tax at the applicable tax rate of 34.94% (31.3.2017: 34.608%)	**34.94%**	**34.61%**
Tax effect of income that are not taxable in determining taxable profit:	(0.28%)	(0.27%)
Recognition of DTA on Carry forward losses restricted to the expent of DTL:	-	(11.98%)
Tax effect of expenses that are not deductible in determining taxable profit:	3.31%	2.20%
Tax expense /income related to prior years :	3.20%	-
Tax effect on recognition of previously unrecognised allowances / disallowances :	(3.99%)	-
Tax effect due to Change in applicable Tax rates :	0.22%	-
Tax expense	**37.40%**	**24.56%**

(II) In compliance of Ind As 12 on "Income Taxes", the item wise details of deferred tax liability (net) are as under.

(₹ in Lakhs)

Particulars	As at 31-Mar-16	Provided during the Year 2016-17	Provided during the Year in OCI 2016-17	As at 31-Mar-17	Provided during the Year 2017-18	Provided during the Year in OCI 2017-18	As at 31-Mar-18
Deferred tax liability:							
Related to Fixed Assets (Depreciation)	77524.38	(486.27)	-	77038.11	11863.55	-	88901.66
Retirement benefits to employees	90.81	(80.52)	-	10.29	(10.29)	-	-
Total deferred tax liability (A)	**77615.19**	**(566.79)**	**-**	**77048.40**	**11853.26**	**-**	**88901.66**
Deferred tax assets:							
Carry forward Business Loss / Unabsorbed Depreciation	77615.19	(40778.41)	-	36836.78	(36836.78)	-	-
Provision on Inventories, Trade Receivables, Loans and advances, CWIP , Investments etc.	-	2488.73	-	2488.73	33.34	-	2522.07
43B Disallowances , Bonus , Gratuity etc.	-	4193.47	300.83	4494.30	1595.79	(329.48)	5760.61
MAT Credit Entitlement	-	30803.18	-	30803.18	29195.96	-	59999.14
Total deferred tax assets (B)	**77615.19**	**(3293.03)**	**300.83**	**74622.99**	**(6011.68)**	**(329.48)**	**68281.82**
Deferred Tax Liability (Net) (A - B)	**-**	**2726.24**	**(300.83)**	**2425.41**	**17864.94**	**329.48**	**20619.84**

Note – 8 : OTHER ASSETS

(₹ in Lakhs)

Sl. No	Particulars	Non - Current 31-Mar-18		Non - Current 31-Mar-17	Current 31-Mar-18		Current 31-Mar-17
1	**Advance for Capital Expenditure**						
	a) To Related Parties						
	i) Unsecured, Considered Good	1366.53		140.92	-		-
	b) To Others						
	i) Unsecured, Considered Good	1531.21		7906.83	-		
			2897.74	8047.75		-	-
2	**Advances**						
	a) To Others						
	i) Unsecured, Considered Good		-	-		**1388.81**	3769.49
3	**Claims Recoverable :**						
	From Custom, Excise, Sales tax , Income Tax dept & Others						
	i) Unsecured, Considered Good		-	-		**25430.05**	25564.40
4	**GST, Cenvat, VAT, service tax recoverable**		-			**2188.22**	5429.04
5	**Balance with Customs, Port Trust and Excise Authorities:**						
	i) Unsecured, Considered Good			-		**814.97**	573.57
6	**Gold Coins in Hand (at Cost)**	-		-	61.54		62.54
	Less : Provision for Diminution	-		-	4.63		8.52
			-	-		**56.91**	54.02
7	**Deferred Expenses**		**1902.34**	1702.60		**224.52**	295.78
	TOTAL		**4800.08**	9750.35		**30103.48**	35686.30

Note – 9 : INVENTORIES

(₹ in Lakhs)

Sl.No.		Particulars		31-Mar-18	31-Mar-17
1	**In Hand :**				
	a.	Stores, Spares etc.	25366.51		22534.93
		Less : Provision for Losses	3295.94		2830.77
				22070.57	19704.16
	b.	Raw Materials		**149483.11**	124001.56
	c.	Finished Products		**144234.16**	99157.37
	d.	Stock in Process		**48132.69**	32539.95
				363920.53	275403.04
2	**In Transit :**				
	a.	Stores & Spares etc.		**1014.03**	1383.92
	b.	Raw Materials		**110986.98**	43926.37
				112001.01	45310.29
	TOTAL			**475921.54**	320713.33
	Impact of Valuation of closing inventories carried at net realisable value recognised in Statement of Profit & loss			255.04	4989.17

Note – 10 : TRADE RECEIVABLES

(₹ in Lakhs)

Sl.No.	Particulars	Note		31-Mar-18	31-Mar-17
1	**Over Six Months:**				
	a) From Related Parties				
	i) Unsecured, Considered Good	(i)	2.74		-
	b) From Others				
	i) Unsecured, Considered Good		26.59		41.57
	Total			**29.33**	41.57
2	**Other Debts :**				
	a) From Related Parties				
	i) Unsecured, Considered Good	(i)	131037.00		89498.30
	b) From Others				
	i) Secured, Considered Good	(ii)	10000.00		7497.96
	ii) Unsecured, Considered Good		15882.12		7001.64
				156919.12	103997.90
	TOTAL			**156948.45**	104039.47

(i) Includes receivables from Indian Oil Corporation Ltd., the holding company - ₹ 130879.24 Lakhs (2017: ₹ 89104.45 Lakhs) and receivables from Indian Additives Limited, Joint Venture Company - ₹ 160.50 Lakhs(2017: ₹ 393.85 Lakhs).

(ii) Represents dues for which mortgage and first charge on Fixed asset is in favour of the company to the extent of ₹ 10000 Lakhs (2017: ₹ 10000 Lakhs)

Note – 11 : CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Bank Balances with Scheduled Banks :		
a) Current Account	4.10	26.25
TOTAL	**4.10**	26.25

Note – 12 : OTHER BANK BALANCES

(₹ in Lakhs)

	Particulars	Note	31-Mar-18	31-Mar-17
1	Balances with bank held as other commitments		536.09	517.90
2	Earmarked Balances	**A**	330.22	1148.83
	TOTAL		**866.31**	1666.73

NOTES:

A) Pertains to unpaid dividend. (Refer note 16- Sl. No.7)

Note – 13 : EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Note	31-Mar-18	31-Mar-17
Authorized:			
Equity:			
40,00,00,000 (2017: 40,00,00,000) Equity Shares of ₹ 10 each		**40000.00**	40000.00
Preference:			
100,00,00,000 (2017:100,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each		**100000.00**	100000.00
		140000.00	140000.00
Issued :			
Equity:			
17,00,00,000 (2017: 17,00,00,000) Equity Shares of ₹ 10 each	(i)	**17000.00**	17000.00
Preference:			
100,00,00,000 (2017:100,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each	(ii)	**100000.00**	100000.00
		117000.00	117000.00
Subscribed, Called-up and Paid-up :			
14,89,11,400 (2017: 14,89,11,400) Equity shares of ₹10 each	(i)	**14891.14**	14891.14
Add: Forfeited Shares (amount originally paid up)		**9.32**	9.32
Total Paid up Equity share Capital		**14900.46**	14900.46
TOTAL		**14900.46**	14900.46

(i) (a) As per the Formation Agreement entered into between the promoters, an offer is to be made to the Naftiran Intertrade Company Limited (NICO), an affiliate of National Iranian Oil Company (NIOC) in any issue of the Capital in proportion to the shares held by them at the time of such issue to enable them to maintain their shareholding at the existing percentage.

(b) Refer Note-40 - Events occuring after Reporting Period(Sl.No.3)

(ii) (a) Based on special resolution passed by the shareholders through postal ballot on 16.07.2015, the company has allotted 100 Crore Non Convertible Cumulative Redeemable Preference Shares of ₹10 each for cash at par amounting to ₹ 1000 Crore to Indian Oil Corporation Ltd, the holding company on private placement preferential allotment basis on 24.09.2015 after receipt of full subscription amount.Preference Shares classified as financial liability (long term borrowing) as per Ind AS 32 - Refer note - 15(II) (B) and note (ii) thereon

(b) Refer Note-40 - Events occuring after Reporting Period(Sl.No.2)

Note – 13 : EQUITY SHARE CAPITAL

A. Reconciliation of No. of Shares	31 Mar 2018		31 Mar 2017	
	Equity Shares	**Preference Shares**	Equity Shares	Preference
Opening Balance	**148911400**	**1000000000**	148911400	1000000000
Shares Issued	-	-	-	-
Shares bought back	-	-	-	-
Closing Balance	**148911400**	**1000000000**	148911400	1000000000

B. Rights, preferences and restrictions attached to Equity shares

Equity Shares: The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

C. Shares held by Holding Company **(₹ in Lakhs)**

Particulars	31 Mar 2018	31 Mar 2017
7,72,65,200 Equity Shares of ₹10 each (51.89%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.	**7726.52**	7726.52

D. Details of shareholders holdings more than 5% shares

Equity Shares

Name of Shareholder	31 Mar 18		31 Mar 17	
	Number of shares held	**Percentage of Holding**	Percentage of Holding	Number of shares held
Indian Oil Corporation Limited	**77265200**	**51.89**	77265200	51.89
Naftiran Intertrade Company Limited	**22932900**	**15.40**	22932900	15.40

Note – 14 : OTHER EQUITY

(₹ in Lakhs)

Sl. No	Particulars		31-Mar-18	31-Mar-17
1	**Retained Earnings**			
a)	**General Reserve :**			
	As per last Account	332451.43		333019.84
	Add: Remeasurement of Defined Benefit Plans	613.39		(568.41)
		333064.82		332451.43
b)	**Surplus (Balance in Statement of Profit and Loss):**			
	Balance Brought Forward from Last Year's Account	(100974.84)		(171780.96)
	Add: Profit for the Year	91292.83		102975.18
	Less: APPROPRIATIONS:			
	Final Dividend	31271.39		5956.46
	Bond Redemption Account	5000.00		5000.00
	Capital Redemption Account	20000.00		20000.00
	Dividend Distribution Tax on Final Dividend	6366.12		1212.60
	Balance carried forward to next year's account	**(72319.52)**		(100974.84)
			260745.30	231476.59
2	**Other Reserves**			
a)	**Bond Redemption Reserve Account :**			
	As per last Account	20000.00		15000.00
	Add: Transferred from Profit and Loss Account	5000.00		5000.00
			25000.00	20000.00
b)	**Capital Redemption Reserve :**			
	As per last Account	40000.00		20000.00
	Add: Transferred from Profit and Loss Account	20000.00		20000.00
			60000.00	40000.00
c)	**Securities Premium Account :**			
	As per last Account		**25003.82**	25003.82
	TOTAL		**370749.12**	316480.41

Note – 15 : LONG-TERM BORROWINGS

(₹ in Lakhs)

Sl. No	Particulars	Note	Non - Current			Current Maturities		
				31-Mar-18	31-Mar-17		**31-Mar-18**	31-Mar-17
I.	**SECURED LOANS**							
1	**Bonds:** 10000 Nos. of 9.65% Secured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - II	**A**		-	100000.00		**100000.00**	**-**
	Total Secured Loans			-	100000.00		**100000.00**	-
II.	**UNSECURED LOANS**							
1	**Term Loans:** i) From Banks/Financial Institutions: In Foreign Currency US $ 50 Million (2017: US $ 50 Million)	**C**	32590.00		32427.50	-		-
	Total (Term Loans)			**32590.00**	32427.50		-	-
2	**Loans from related parties:** 100,00,00,000 (2017:100,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each	**B**		**50000.00**	100000.00		**50000.00**	-
3	**Current maturity of finance lease obligations from related parties**	**D**		-	-		-	334.25
	Total Unsecured Loans			**82590.00**	132427.50		**50000.00**	334.25
	TOTAL LONG-TERM BORROWINGS			**82590.00**	232427.50		**150000.00**	334.25

Note – 15 : LONG-TERM BORROWINGS

Sl. No	Particulars	Allotment Date	Coupon Rate	Effective interest rate	Date of Redemption	Security Details
A	Secured Redeemable Non Convertible Debentures (Series-II)	10.01.2014	9.65%	9.65%	Principal repayable at the end of 5 years from 10.01.2014 being date of allotment. Interest payable annually on 10th Jan at the rate of 9.65% p.a.	First Charge on specific Plant & Machinery along with the underlying land together with all the building and structures standing on the said land to the extent of ₹ 100000 Lakhs.

Unsecured Loans:

B. Non Convertible Cumulative Redeemable Preference Shares

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

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

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

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

(b) Such shares shall rank for capital and dividend (including all dividend undeclared upto the commencement of winding up) and for repayment of capital in a winding up, pari passu inter se and in priority to the Ordinary Shares of the Company, but shall not confer any further or other right to participate either in profits or assets.

(c) The holders of such shares shall have the right to receive all notices of general meetings of the Company and have a right to vote only on resolution placed before the share holders which directly affect their rights attached to preference shares like winding up of company or repayment of preference sharesetc.

(d) The tenure of the NCCRP Shares would be 10 years , with put and call option. Either the preference shareholder shall have right to exercise Put option or the Issuer shall have right to exercise Call option to redeem the preference shares, in whole or in part after the 5 years of the preference issue date. However, it is also agreed that Put & Call option before the 5 year period can be exercised by mutual consent of both the parties by giving 30 days notice.

(e) Dividend rate shall be equivalent to the Post tax yield of AAA rated corporate bond i.e. prevailing (at the time of issue) 10 year G-Sec yield plus spread on AAA rated corporate bond i.e., 6.65% p.a (reckoned for the FY 2015-16). The coupon rate on preference share would be adjusted to reflect the subsequent changes in tax laws with the consent and approval of preference share holders by way of special resolution. Currently, the Effective interest rate inclusive of dividend distribution tax is 8.00%

(ii) [Refer Note-40 - Events occuring after Reporting Period(Sl.No.2)]

(iii) Preference Shares held by Holding Company

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
1,00,00,00,000 Non-Convertible Cumulative Redeemable Preference Shares of ₹10/- each (100%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.	100000	100000

(iv) Details of Preference shareholders holdings more than 5% shares

Name of Preference Shareholder	31-Mar-18		31-Mar-17	
	Number of Preference shares held	Percentage of Holding	Number of Preference shares held	Percentage of Holding
Indian Oil Corporation Limited	1000000000	100	1000000000	100

(v) Pending the approval of shareholders, preference dividend has been provisionally accrued as finance cost. However, as per the Companies Act 2013, the preference shares is treated as part of share capital and the provisions of the Act relating to declaration of Preference Dividend at the end of the year would be applicable.

C. Foreign Currency Loan

Loan Repayment Schedule for Foreign Currency Loan (Unsecured)-Term Loans

Sl. No	Particulars	Date of Redemption	Repayable Amount	Interest Rate
1	Term Loan from SBI	18.09.2019	US $ 50 Million	3 months LIBOR + 125 bps (Interest reset on quarterly basis) - Interest payable on monthly basis

D. Finance Lease Obligation

The Finance Lease obligation is against assets acquired under Finance Lease from IOT Infrastructure and Energy Services Limited. The contract period expired during the year. The carrying value of the same is ₹ NIL Lakhs(2017: ₹ 1646.96 Lakhs). Refer Note - 2 & 33(B).

Note – 16 : OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Sl. No	Particulars	Note	Non - Current		Current Maturities	
			31-Mar-18	31-Mar-17	**31-Mar-18**	31-Mar-17
1	Current maturities of Long term debt/ finance lease obligations (Refer Note -15)		-	-	**150000.00**	334.25
2	Interest accrued but not due on loans (including Preference Shares)	A	-	-	**10232.76**	10210.49
3	Liability for Capital Expenditure	B	-	-	**25246.77**	18449.32
4	Liability to Trusts and Other Funds		-	-	**860.33**	543.31
5	Employee Liabilities for Expenses		-	-	**14819.85**	7990.49
6	Security Deposits		-	-	**4226.93**	3722.54
7	Liability for Dividend	C	-	-	**330.22**	1148.83
8	Other Financial Liabilities		-	-	**82.60**	79.14
	TOTAL		**-**	-	**205799.46**	42478.37

A Pending the approval of shareholders, preference dividend has been provisionally accrued as finance cost. However, as per the Companies Act 2013, the preference shares is treated as part of share capital and the provisions of the Act relating to declaration of Preference Dividend at the end of the year would be applicable.

B Includes dues Payable to IOT Infrastructure and Energy Limited ₹531.68 Lakhs (2017 :Nil Lakhs)

C There are no amounts due for payment to the Investor Education and Protection Fund as at the year end. Further, there are no amounts due to Naftiran Inter trade company Limited (NICO) towards unpaid dividend (Previous year: ₹ 917.32 Lakhs could not be remitted due to restrictions in banking channels arising out of sanctions imposed by US / European Union against Iran)

Note – 17 : PROVISIONS

(₹ in Lakhs)

Sl. No	Particulars	Note	Non - Current 31-Mar-18	Non - Current 31-Mar-17	Current 31-Mar-18	Current 31-Mar-17
1	Provision for Employee Benefits		23262.11	13314.97	7672.36	12553.06
2	Contingencies for probable obligations		-	-	8614.36	1105.61
	Less: Deposits		-	-	7508.75	-
	Contingencies for probable obligations	A	-	-	1105.61	1105.61
	TOTAL		**23262.11**	13314.97	**8777.97**	13658.67

A In compliance of Ind AS – 37 on "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under :

Particulars	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year	Closing Balance
Sales Tax	1105.61		-	-	1105.61
Income Tax	-	7508.75	-	-	7508.75
TOTAL	**1105.61**	**7508.75**	**-**	**-**	**8614.36**
Previous Year	-	1105.61	-	-	1105.61

Note – 18 : OTHER LIABILITIES

(₹ in Lakhs)

Sl. No	Particulars	Note	Non - Current 31-Mar-18	Non - Current 31-Mar-17	Current 31-Mar-18	Current 31-Mar-17
1	**Revenue Grants - EPCG**					
	Liability towards Government Grants	A	**605.03**	4037.61	-	-
2	Statutory Liabilities		-	-	**37146.72**	24201.57
3	Advances from Customers		-	-	**1434.60**	1264.11
	TOTAL		**605.03**	4037.61	**38581.32**	25465.68

A Grant recognised in respect of duty waiver on procurement of capital goods under EPCG scheme of Central Government which allows procurement of capital goods including spares for pre production at zero duty subject to export obligations of 6 times of the duty saved on capital goods procured. The company recognised ₹3387.66 Lakhs (2017: ₹222.76 Lakhs) in the statement of profit & loss account as amortisation of revenue grant. The company expects to meet the export obligations and therefore equivalent deferred grant has not been treated as liability.

Note – 19 : SHORT-TERM BORROWINGS

(₹ in Lakhs)

Sl. No	Particulars	Note		31-Mar-18	31-Mar-17
I.	**SECURED LOANS**				
1	**Loans Repayable on Demand**				
	From Banks:				
	a) In Rupees	A			
	i) Cash Credit - SBI		206299.51		444.32
	Sub-Total			**206299.51**	444.32
II.	**UNSECURED LOANS**				
1	**Loans Repayable on Demand**				
	i) From Banks/Financial Institutions:				
	In Rupees				
	i) Working Capital Demand Loan		-		4400.00
	Sub-Total			-	4400.00
	ii) From Others				
	Commercial Paper		-		312500.00
	Total			-	316900.00
	Total Unsecured Loans			-	316900.00
	TOTAL BORROWINGS - CURRENT			**206299.51**	317344.32

Notes:

A Secured against hypothecation of Trade receivables & Inventories to the extent of ₹ 418400 Lakhs with State Bank of India. (2017: ₹ 418400 Lakhs)

At 31 March 2018 the Company had available ₹ 210426.49 Lakhs (2017: ₹ 416796.72 Lakhs) of undrawn Credit facilities.

Note – 20 : TRADE PAYABLES

(₹ in Lakhs)

Particulars	Note	31-Mar-18	31-Mar-17
Sundry Creditors:			
Dues to Micro and Small Enterprises	A	**12.08**	8.81
Dues to Related Parties	B	**402633.82**	114989.83
Dues to Others		**41718.56**	50217.33
TOTAL		**444364.46**	165215.97

A With regard to disclosure requirements under the provisions of section 22 of Micro, Small and Medium Enterprises Development Act, 2006, the company has carried out the same based on the confirmation received from its suppliers. No interest amount remains unpaid to such Micro and Small enterprises as on 31st March 2018 and no payments were made to such enterprises beyond the "appointed day" during the year. Also, the company has not paid any interest in terms of section 16 of the above mentioned act or otherwise.

B Represents dues to Indian Oil Corporation Ltd., the holding company ₹ 402282.36 Lakhs (2017: ₹ 114882.02 Lakhs) and IOT Infrastructure and Energy Services Limited ₹ 351.46 Lakhs (2017: ₹ 107.81 Lakhs)

Note – 21 : REVENUE FROM OPERATIONS

(₹ in Lakhs)

Sl. No.	Particulars	Note	31-Mar-18		31-Mar-17
1	Sales (Net of Discounts)	**A**	4413480.74		4058590.03
2	Other Operating Revenues (Note "21.1")		5367.75		2161.51
				4418848.49	4060751.54
	TOTAL			**4418848.49**	4060751.54

A (i) Goods and Services Tax (GST) has been implemented w.e.f.01.07.2017 wherein some of the petroleum products have come under its ambit. Accordingly, GST is being levied on these products as against Excise Duty applicable hitherto. Since Excise duty is included in revenue and GST is not included in revenue, the comparable turnover after netting off Excise duty on products on which GST has now been levied, for periods before 01.07.2017, is tabulated below :

Particulars	31-Mar-18	31-Mar-17
Revenue (gross)	4413480.74	4058590.03
Less: Excise Duty	17384.84	63694.76
Net comparable revenue	**4396095.90**	3994895.27

(ii) Sale to certain customers, which involves return of material upon extraction of relevant products are being invoiced for the gross supply quantity by the company and quantity returned is being invoiced by the customer on the company upon GST implementation. Accordingly, the quantity supplied to the extent received by the company after extraction is included in both Revenue from operations and purchase of stock in trade to the extent of ₹ 20929.30 Lakhs in line with the invoicing pattern under GST.

Note – 21.1 : OTHER OPERATING REVENUES

(₹ in Lakhs)

Sl. No.	Particulars	31-Mar-18	31-Mar-17
1	Sale of Power	**176.35**	151.06
2	Unclaimed / Unspent liabilities written back	**232.76**	415.19
3	Recoveries from Employees	**264.01**	384.80
4	Sale of Scrap	**1306.97**	987.70
5	Amortisation of Government Grants	**3387.66**	222.76
	TOTAL	**5367.75**	2161.51

Note – 22 : OTHER INCOME

(₹ in Lakhs)

Sl. No.	Particulars	Note		31-Mar-18	31-Mar-17
1	Interest on :				
	Financial Item:				
	a) Loans and Advances		965.85		804.72
	b) Short Term Deposits with Banks		30.71		36.42
	c) Customers Outstanding		202.18		287.89
	d) Others		352.84		443.77
				1551.58	1572.80
	Non Financial Item:	**A**		**400.88**	-
2	Dividend from Related Parties	**B**		**591.70**	591.70
3	Exchange Fluctuations (Net)			-	972.10
4	Other Non Operating Income			**1331.39**	868.37
	TOTAL			**3875.55**	4004.97

A Represents interest on Income tax refund received under the Income Tax Act, 1961

B Represents Dividends received from Indian Additives Limited (Non-Current Investments in Joint Ventures)

Total interest income (calculated using the effective interest method) for financial assets that are not at fair value through profit or loss:

(₹ in Lakhs)

	31-Mar-18	31-Mar-17
In relation to financial assets measured at amortised cost	1551.58	1572.80

Note – 23 : COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Raw Material Consumed :		
Opening Balance	**167927.93**	154535.28
Add :		
Purchases	**3023886.97**	2438971.03
Sub Total	**3191814.90**	2593506.31
Less: Closing Stock	**260470.09**	167927.93
TOTAL (Net)	**2931344.81**	2425578.38

Note – 24 : CHANGES IN INVENTORY

(₹ in Lakhs)

Particulars		31-Mar-18	31-Mar-17
Closing Stock			
a) Finished Products	144234.16		99157.37
b) Stock in Process	48132.69		32539.95
		192366.85	131697.32
Less:			
Opening Stock			
a) Finished Products	99157.37		114527.05
b) Stock in Process	32539.95		27673.08
		131697.32	142200.13
NET INCREASE / (DECREASE)		**60669.53**	(10502.81)

Note – 25 : EMPLOYEE BENEFIT EXPENSE

(₹ in Lakhs)

Particulars		31-Mar-18	31-Mar-17
Employee Benefit Expense:			
(a) Salaries, Wages, Bonus etc	38734.18		34121.60
(b) Contribution to Provident & Other Funds	15361.11		12065.41
(c) Staff Welfare Expenses	4080.38		5101.35
TOTAL (Net)		**58175.67**	51288.36

A Disclosure in compliance with Ind AS - 19 on "Employee Benefits" is given in Note - 32

B Above excludes ₹ 1804.35 Lakhs (2017: ₹ 1311.05 Lakhs) included in capital work in progress (Note - 2.1)

Note – 26 : FINANCE COSTS

(₹ in Lakhs)

Sl. No.	Particulars	Note		31-Mar-18	31-Mar-17
1	**Interest Payments on Financial items:**	(i)			
	I. Working Capital Loans				
	Short term Borrowings		16967.08		16599.60
	Other Loans				
	Debentures/Foriegn Currency Term Loan	B	2765.90		-
				19732.98	16599.60
	II. Unwinding of Finance cost			**29.55**	56.99
	III. Interest expense for Preference Shares (including Dividend Distribution Tax) treated as financial liabilities	A		**8003.78**	8003.78
2	**Interest Payments on Non Financial items**	C		**3017.14**	578.28
3	**Other Borrowing Cost**			**50.70**	34.99
4	**Exchange differences regarded as adjustment to borrowing cost**			**1251.48**	2004.57
	TOTAL	B		**32085.63**	27278.21

		31-Mar-18	31-Mar-17
A	Refer Note 16 A		
B	Net of interest capitalised as part of CWIP	**7745.35**	10046.42
C	Includes mainly interest under Income Tax Act, 1961		

(i) Total interest expense (calculated using the effective interest method) for financial liabilities that are not measured at fair value through profit or loss:

(₹ in Lakhs)

	31-Mar-18	31-Mar-17
In relation to financial liabilities measured at amortised cost	**27766.31**	24660.37

Note – 27 : OTHER EXPENSES

(₹ in Lakhs)

Sl. No	Particulars	31-Mar-18		31-Mar-17
1	Consumption:			
	a) Stores, Spares and Consumables	8293.83		6298.39
	b) Packages & Drum Sheets	99.54		102.23
			8393.37	6400.62
2	Power & Fuel	266572.98		201973.09
	Less : Fuel from own production	261126.32		196966.25
			5446.66	5006.84
3	Irrecoverable taxes - Central Sales Tax		**15799.67**	16903.83
4	Repairs and Maintenance			
	i) Plant & Machinery	15327.52		16090.13
	ii) Buildings	292.39		364.72
	iii) Others	4934.35		3923.23
			20554.26	20378.08
5	Freight, Transportation Charges and Demurrage		**7287.65**	6401.22
6	Office Administration, Selling and Other Expenses (Note "27.1")		**20122.98**	17199.06
	TOTAL		**77604.59**	72289.65
	Less: Company's use of own Products		**2275.03**	282.69
	TOTAL (Net)		**75329.56**	72006.96

Note – 27.1 : OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES

(₹ in Lakhs)

Sl. No	Particulars	Note		31-Mar-18	31-Mar-17
1	Rent			**1739.10**	2063.92
2	Insurance			**1277.83**	1512.34
3	Rates & Taxes			**180.36**	179.89
4	Payment to auditors :				
	a) For Statutory Audit		18.16		16.03
	b) For Limited Review		10.05		8.08
	c) For Taxation Matters		5.61		5.04
	d) Other Services(for issuing other certificates etc.)		1.46		1.40
				35.28	30.55
5	Travelling & Conveyance			**2147.69**	2243.48
6	Communication Expenses			**261.74**	190.21
7	Printing & Stationery			**141.78**	107.51
8	Electricity & Water			**83.25**	78.03
9	Bank Charges			**99.15**	106.55
10	Provision / Loss on Assets sold or written off (Net)			**205.99**	351.13
11	Technical Assistance Fees			**807.93**	665.39
12	Exchange Fluctuation (Net)			**4730.62**	-
13	Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores			**532.82**	1541.30
14	Security Force Expenses			**3111.91**	2487.86
15	Terminalling Charges			**2133.81**	2136.63
16	Provision for Probable Contingencies			**-**	1105.61
17	Expenses on CSR Activities	39		**918.18**	187.51
18	Miscellaneous Expenses	A		**1715.54**	2211.15
	TOTAL			**20122.98**	17199.06

A Miscellaneous Expenses Includes:

i) Expenditure on Public Relations and Publicity amounting to ₹ 261.36 Lakhs (2017 : ₹ 372.60 Lakhs). The ratio of annual expenditure on Public Relations and Publicity to the annual turnover (inclusive of excise duty) is 0.00006:1 (2017: 0.00009:1)

ii) Entertainment Expenses ₹ 27.77 Lakhs (2017: ₹ 29.43 Lakhs)

Note – 28 : OTHER COMPREHENSIVE INCOME (₹ in Lakhs)

Sl. No	Particulars		31-Mar-18	31-Mar-17
A.	**Items that will not be reclassified to profit or loss:**			
1	Remeasurement of Defined Benefit Plans	942.87		(869.24)
			942.87	(869.24)
B.	**Income Tax relating to items that will not be reclassified to profit or loss:**			
1	Remeasurement of Defined Benefit Plans	(329.48)		300.83
			(329.48)	300.83
	TOTAL		**613.39**	(568.41)

Note – 29 : DISTRIBUTIONS MADE AND PROPOSED (₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Cash dividends on Equity shares declared and paid:		
Final dividend for FY 16-17 declared and paid during the year ended 31st March2018: ₹ 21 per share; (for FY 15-16 declared and paid during the year ended 31st March 2017: ₹ 4 Per Share)	31271.39	5956.46
DDT on dividend paid	6366.12	1212.60
	37637.51	7169.06
Proposed dividends on Equity shares:		
Final dividend for year ended 31st March 2018: ₹ 18.50 per share (31st March 2017: ₹ 21 per share)	27548.61	31271.39
DDT on proposed dividend	5608.25	6366.12
	33156.86	37637.51

Proposed dividend on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability (including DDT thereon) as at 31st March 2018

Refer Note 16 A for Preference dividend

Note – 30 : EARNINGS PER SHARE (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31-Mar-18	31-Mar-17
Profit attributable to equity holders (₹ in lakhs)	**91292.83**	102975.18
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	**148911400**	148911400
Earning Per Share (Basic and Diluted) (₹)	**61.31**	69.15
Face value per share (₹)	**10.00**	10.00

Note – 31 : DISCLOSURE OF INTEREST IN JOINT VENTURES AND ASSOCIATES

(₹ in Lakhs)

Name of entity	Place of business	% of ownership Interest	Relationship	Carrying Amount
Indian Additives Limited	India	50%	Joint Venture	1183.40
National Aromatics and Petrochemical Corporation Limited	India	50%	Joint Venture	Nil

Note – 32 EMPLOYEE BENEFITS

Disclosures in compliance with Ind AS 19 on "Employee Benefits" is as under:

A. Defined Contribution Plans- General Description

Pension Scheme:

During the year, the company has recognised ₹ 2214.54 Lakhs (2017: ₹ 2286.41 Lakhs) towards Defined Contributory Employees Pension Scheme in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident & Other Funds in Note - 25/ Construction period expenses in Note-2.1)

During the year, the company has recognised ₹ 234.04 Lakhs (2017: ₹ 227.88 Lakhs) as contribution to EPS-95 in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident and Other Funds in Note - 25/ Construction period expenses in Note-2.1)

B. Defined Benefit Plans- General Description

1 **Provident Fund:**

The Company's contribution to the Provident Fund is remitted to separate provident fund trust established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company. The Provident Funds maintained by the PF Trust in respect of which actuarial valuation is carried out does not have any deficit as on 31st March 2018.

2 **Gratuity:**

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the eligible salary for every completed year of service subject to a maximum of ₹ 20 Lakhs at the time of separation from the company.

3 **Post Retirement Medical Scheme (PRMS):**

PRMS provides medical benefit to retired employees and eligible dependant family members.

4 **Workman Compensation:**

The company pays an equivalent amount of 100 months salary to the family member of employee, if employee dies due to accidental death while he is on duty. This scheme is not funded by the company. The liability originates out of the workman compensation Act and Factory Act

C. Other Long-Term Employee Benefits - General Description

1 **Leave Encashment:**

Each employee is entitled to get 8 earned leaves for each completed quarter of service. Encashment of earned leaves is allowed during service leaving a minimum balance of 15 days subject to maximum accumulation up to 300 days. In addition, each employee is entitled to get 5 sick leaves at the end of every six months. The entire accumulation of sick leaves is permitted for encashment only at the time of retirement.

2 **Long Service Award:**

On completion of specified period of service with the company and also at the time of retirement, employees are rewarded with Prepaid Card as per eligibility, based on the duration of service completed.

D. The summarised position of various defined benefits / Long Term Employee Benefits recognised in the Statement of Profit & Loss, Balance Sheet are as under:

(Figures presented in Italic Font in the table are for previous year)

(i) Reconciliation of balance of Defined Benefit / Long Term Employee Benefit Obligations **(₹ in Lakhs)**

Particulars	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Defined Obligation at the beginning	**41,776.98** *37,257.61*	**7,997.52** *7,515.11*	**5,966.40** *5,036.99*
Current Service Cost	**1,991.64** *1,706.50*	**88.94** *66.50*	**331.60** *97.28*
Interest Cost	**3,658.05** *3,261.32*	**580.62** *600.46*	**444.50** *397.92*
Past Service Cost	**-** *-*	**6,622.82** *-*	**10,376.73** *-*
Benefits paid	**(3,429.83)** *(3,147.65)*	**(584.64)** *(413.33)*	**(348.76)** *(246.22)*
Employee Contribution	**3,077.71** *2,676.27*	**-** *-*	**-** *-*
Transferred from other company	**49.32** *22.92*	**-** *-*	**-** *-*
Actuarial (gain)/ loss on obligations	**-** *-*	**(558.32)** *228.78*	**(339.89)** *680.43*
Defined Benefit Obligation at the end of the year	**47,123.88** *41,776.98*	**14,146.95** *7,997.52*	**16,430.57** *5,966.40*

(ii) Reconciliation of balance of Fair Value of Plan Assets **(₹ in Lakhs)**

Particulars	Provident Fund	Gratuity
	Funded	Funded
Fair Value of Plan Assets at the beginning of the year	**42,786.20** *37,958.29*	**8,027.30** *7,777.52*
Expected return on plan assets	**3,658.05** *3,261.32*	**44.66** *39.97*
Contribution by employer	**5,069.35** *4,382.77*	
Contribution by employees	**-** *-*	**-** *-*
Benefit paid	**(3,429.83)** *(3,147.65)*	**(469.31)** *(411.61)*
Transferred from other company	**49.32** *22.92*	**-** *-*
Interest Income	**-** *-*	**582.78** *621.42*
Actuarial gain / (losses)	**48.17** *308.54*	**-** *-*
Fair value of plan assets at the end of the year	**48,181.26** *42,786.20*	**8,185.43** *8,027.30*

(iii) Reconciliation of Fair Value of Plan Assets and Defined Benefit Obligation (₹ in Lakhs)

Particulars	Provident Fund	Gratuity
	Funded	Funded
Fair Value of Plan Assets at the end of the year	**48,181.26**	**8,185.43**
	42,786.20	*8,027.30*
Defined Benefit Obligation at the end of the year	**47,123.88**	**14,146.95**
	41,776.98	*7,997.52*
Amount recognised in the Balance Sheet	**-**	**5,961.52**
(As per para 64 of Ind AS-19)	-	*(29.78)*
Amount not recognised in the Balance Sheet	**(1,057.38)**	**-**
	(1,009.22)	-

(iv)Amount recognised in Statement of Profit and Loss / CWIP (₹ in Lakhs)

Particulars	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Current Service Cost	**1,991.64** *1,706.50*	**88.94** *66.50*	**331.60** *97.28*
Interest Cost	**3,658.05** *3,261.32*	**580.62** *600.46*	**444.50** *397.92*
Expected (return) / loss on plan asset	**(3,658.05)** *(3,261.32)*	**(582.78)** *(621.42)*	**-** -
Contribution by Employees	**-** -	**-** -	**-** -
Past Service Cost	**-** -	**6,622.82** -	**10,376.73** -
Expenses for the year	**1,991.64** *1,706.50*	**6,709.60** *45.54*	**11,152.82** *495.20*

Gratuity expenditure for the year is reckoned net of of ₹ 6663.05 Lakhs provided in the previous year towards estimated increase in Gratuity ceiling.

(v) Amount recognised in Other Comprehensive Income (OCI) (₹ in Lakhs)

Particulars	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Actuarial (gain)/ loss on Obligations	**-** -	**(558.32)** *228.78*	**(339.89)** *680.43*
Remeasurement (Return on Plan Assets excl interest income)	**48.17** *308.54*	**(44.66)** *(39.97)*	**-** -
Net Loss / (Gain) recognized in OCI	**-** -	**(602.98)** *188.81*	**(339.89)** *680.43*
Net Loss / (Gain) not recognized in P&L / OCI	**(48.17)** *(308.54)*	**-** -	**-** -

(vi) Major Actuarial Assumptions (₹ in Lakhs)

Particulars	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Discount rate	**7.88%** *7.26%*	**7.88%** *7.26%*	**7.76%** *7.45%*
Expected return on plan assets	**8.65%** *8.65%*	**-** -	**-** -
Salary escalation	**-** -	**8.00%** *8.00%*	**-** -
Inflation	**-** -	**-** -	**7.00%** *7.00%*

The estimate of future salary increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management and historical results of the return on plan assets.

(vii) Sensitivity on Actuarial Assumptions: **(₹ in Lakhs)**

Loss/(Gain) for:	**Gratuity Funded**	**PRMS Non-funded**
Change in Discounting Rate		
Increase by 1%	**(375.91)**	
	(237.65)	
Decrease by 1%	**398.05**	
	252.55	
Change in Discounting Rate		
Increase by 0.5%	-	**(1,233.72)**
	-	*(467.43)*
Decrease by 0.5%	-	**1,399.26**
	-	*532.00*
Change in Employee Turnover		
Increase by 0.5%	-	**53.22**
	-	*15.68*
Decrease by 0.5%	-	**(56.67)**
	-	*(16.64)*
Change in Employee Turnover		
Increase by 1%	**119.94**	
	103.90	
Decrease by 1%	**(125.35)**	
	(108.84)	
Change in Salary Escalation		
Increase by 1%	**87.27**	-
	25.89	-
Decrease by 1%	**(91.09)**	-
	(27.55)	-
Change in Inflation Rate		
Increase by 0.5%	-	**1,412.50**
	-	*535.65*
Decrease by 0.5%	-	**(1,255.41)**
	-	*(474.57)*

(viii) Investment details: **(₹ in Lakhs)**

Particulars	**Provident Fund Funded**	**Gratuity Funded**
Investment with Insurer	-	**100.00%**
	-	*100.00%*
Self managed investments	**100.00%**	-
	100.00%	-

Details of the investment pattern for the above mentioned funded obligations is as under.

Particulars	**Provident Fund Funded**	**Gratuity Funded**
Government securities (Central & State)	**44.22%**	**43.86%**
	36.04%	*48.19%*
Investment in Equity / Mutual Funds	**5.28%**	**4.75%**
	2.74%	*8.05%*
Investment in Debentures / Securities	**44.09%**	**47.17%**
	56.08%	*38.93%*
Other approved investments (incl. Cash)	**6.41%**	**4.22%**
	5.14%	*4.83%*

(ix) The following payments are expected projections to the defined benefit plan in future years: **(₹ in Lakhs)**

Cash Flow Projection from the Fund/Employer	Gratuity Funded	PRMS Non-Funded	Total
Within next 12 Months	**1,800.15**	**418.97**	**2,219.11**
	792.20	*136.74*	*928.94*
Between 2 to 5 Years	**6,845.35**	**2,320.30**	**9,165.65**
	3,445.12	*749.45*	*4,194.57*
Between 6 to 10 Years	**6,658.05**	**4,711.89**	**11,369.94**
	3,986.94	*1,589.97*	*5,576.91*

Cash Flow Projection from the Fund/Employer	Gratuity Funded	PRMS Non-Funded
Weighted Average Duration of Defined Benefit Obligation	**12 Years** 12 Years	***16 Years*** *16 Years*

Note – 33 : COMMITMENTS AND CONTINGENCIES

A. Leases

Operating lease — as lessee

The company has taken certain assets (including office/residential premises/Land) on Operating Lease which are cancellable by giving appropriate notice as per the respective agreements. During the year ₹1739.10 Lakhs (2017: ₹2063.92 Lakhs) had been paid towards cancellable Operating Lease.

B Disclosure under Finance Lease as Lessee:

The company has entered into BOOT arrangement with IOT Infrastructure & Energy Services Limited in respect of LPG Bottling facilities for a period of 10 years. During the year, on completion of the contracted period of 10 years, the Lessor has transferred ownership of the assets to the company at Nil Value.

I Buildings taken on finance lease as lessee: **(₹ in Lakhs)**

	31-Mar-18	31-Mar-17
(i) Minimum lease payments		
- Within one year	-	160.75
- After one year but not more than five years	-	-
- More than five years	-	-
Total	-	160.75
(ii) Present value of minimum lease payments		
- Within one year	-	147.69
- After one year but not more than five years	-	-
- More than five years	-	-
Total	-	147.69
Add: Future finance charges	-	13.06
Total	-	160.75

II Plant & Equipments taken on finance lease as lessee:

(i) Minimum lease payments		
- Within one year	-	203.05
- After one year but not more than five years	-	-
- More than five years	-	-
Total	-	203.05
(ii) Present value of minimum lease payments		
- Within one year	-	186.56
- After one year but not more than five years	-	-
- More than five years	-	-
Total	-	186.56
Add: Future finance charges	-	16.49
Total	-	203.05

The Net Carrying amount of the assets acquired under Finance Lease included in Note – 2.

Buildings and Plant & Equipment	-	1646.96
	-	1646.96

C Contingent Liabilities

Contingent Liabilities amounting to ₹ 69142.11 Lakhs (2017: ₹ 65184.02 Lakhs) are as under:

(i) ₹ 2520.31 Lakhs (2017: ₹ 539.66 Lakhs) being the demands raised by the Central Excise /Customs/ Service Tax Authorities including interest of ₹ 807.62 Lakhs (2017: ₹ 189.74 Lakhs).

(ii) ₹ 52998.44 Lakhs (2017: ₹ 50592.22 Lakhs) being the demands raised by the VAT/ Sales Tax Authorities and includes no interest (2017:Nil).

(iii) ₹ 9815.98 Lakhs (2017: ₹ 10002.51 Lakhs) in respect of Income Tax demands including interest of ₹ 4802.51 Lakhs (2017: ₹ 2582.58 Lakhs).

(iv) ₹ 3807.38 Lakhs (2017: ₹ 4049.63 Lakhs) including ₹ 239.68 Lakhs (2017: ₹ 2241.64 Lakhs) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹ 867.83 Lakhs (2017: ₹ 827.75 Lakhs).

The Company has not considered those disputed demands/claims as contingent liabilities, for which, the outflow of resources has been considered as remote.

D Commitments

(i) Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account not provided for ₹ 115254.48 Lakhs (2017: ₹ 82208.01 Lakhs).

(ii) Other Commitments

The Company has an export obligation to the extent of ₹ 10145.90 Lakhs (2017: ₹ 59057.65 Lakhs) on account of concessional rate of customs duty availed under EPCG license scheme on import of capital goods.

Note - 34 "Related Party Disclosures" in compliance with Ind-AS 24, are given below:

1. Relationship with Entities

A. Details of Holding Company

i) Indian Oil Corporation Limited (IOCL)

The following transactions were carried out with Holding Company in the ordinary course of business: **(₹ in Lakhs)**

Particulars	31-Mar-2018	31-Mar-2017
• Sale of Product and Services	**3987040.30**	3682449.28
• Dividend on Preference Shares	**6650.00**	6650.00
• Dividend paid on Equity Shares	**16226.72**	3090.81
• Sale of Scrap / Catalyst	**15.36**	21.30
• Sale of Canteen Coupons	**4.00**	4.14
• EDP Maintenance	**253.01**	253.53
• Other Non operating Income	**320.25**	80.87
• Purchase of Raw Material	**31691.66**	49668.26
• Purchase of Stock-in-Trade	**19132.87**	15957.40
• Purchase of Stores & Spares	**495.57**	397.11
• Canalising commission	**250.00**	250.00
• Freight, Transportation and Demurrage	**836.50**	1036.51
• Rental Expenditure	**271.00**	350.31
• Creation of capital facilities by IOCL	**1004.10**	568.02
• Creation of capital facilities to IOCL	**-**	800.00
• Outstanding Receivables	**132247.06**	89385.37
• Outstanding payables		
Trade Payables	**402282.36**	114882.02
Preference Shares	**100000.00**	100000.00

B. Details of Joint Ventures

i) Indian Additives Limited

(₹ in Lakhs)

Particulars	31-Mar-2018	31-Mar-2017
• Investment	**1183.40**	1183.40
• Sale of Product	**4203.03**	4348.82
• Rental income	**56.04**	47.91
• Dividend received	**591.70**	591.70
• Sale of Water	**0.86**	-
• Outstanding Receivables	**160.50**	393.85

ii) National Aromatics & Petrochemicals Corp. Limited

(₹ in Lakhs)

Particulars	31-Mar-2018	31-Mar-2017
• Investments in Joint Venture Entities/ Associates*	**2.50**	2.50

* The Investment has been fully provided for diminution in value (Note - 4)

C. Entities over which KMP has significant influence

i) CPCL Educational Trust

(₹ in Lakhs)

Particulars	31-Mar-2018	31-Mar-2017
• CSR Expenses	**61.80**	42.50
• Repayment of Loan by Trust	-	25.00
• Interest	-	2.14

D. Associates of Holding Company

i) IOT Infrastructure & Energy Services Limited

(₹ in Lakhs)

Particulars	31-Mar-2018	31-Mar-2017
• Terminalling / Bottling Charges	**1848.16**	2969.01
• Outstanding payable	**883.14**	107.81

E. Government related entities where significant transactions are carried out:

Apart from transactions reported above, the company has transactions with other Government related entities, which includes but not limited to the following:

Name of Government: Government of India (Central and State Government)

Nature of Transactions:

- Sale of Product and Services
- Purchase of Product
- Purchase of Raw Materials
- Handling and Freight Charges, etc.

These transactions are conducted in the ordinary course of the Company's business on terms comparable to those with other entities that are not Government-related

2) Key Managerial Personnel

A. Whole Time Directors / Company Secretary

1) Shri.B.Ashok (Upto 31.05.2017)
2) Shri.Sanjiv Singh
3) Shri Gautam Roy (Upto 31.1.2018)
4) Shri S.Venkataramana (Upto 31.7.2017)
5) Shri U.Venkata Ramana
6) Shri S.Krishna Prasad (Upto 31.1.2018)
7) Shri.Farzad Bahrami
8) Shri.Mohammad Bagher Dakhili
9) Shri S.N. Pandey (w.e.f 01.02.2018)
10) Shri G.Aravindan (w.e.f 30.01.2018)
11) Shri P.Shankar

B. Independent / Government Nominee Directors

1) Shri .K.M.Mahesh (Upto 24.11.2017)
2) Shri .Mrutunjay Shaoo
3) Dr.P.B.Lohiya
4) Smt. Perin Devi (w.e.f . 24.11.2017)

C) Details relating to the parties referred to in Item No.2A & 2B above :

For the Year ended 31-Mar-2018

(₹ in Lakhs)

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Sitting Fee	Outstanding loans/ advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri Gautam Roy	43.87	5.53	10.94	-	60.34	-	-
2) Shri S.Venkataramana	23.34	11.33	29.79	-	64.46	-	
3) Shri U.Venkata Ramana	48.29	5.23	6.34	-	59.86	-	1.64
4) Shri S.Krishna Prasad	33.26	5.11	3.83	-	42.20	-	-
5) Shri P.Shankar	39.19	5.66	4.41		49.26	-	4.05
6) Shri S.N. Pandey	5.01	1.13	-	-	6.14	-	0.74
7) Shri G.Aravindan	6.64	1.16		-	7.80	-	-
B. Independent / Government Nominee Directors#							
1) Shri Mrutunjay Sahoo	-	-	-	-	-	2.80	-
2) Dr.P.B.Lohiya	-	-	-	-	-	4.60	-
TOTAL	**199.60**	**35.15**	**55.31**	**-**	**290.06**	**7.40**	**6.43**

Sitting fees paid to Independent Directors

For the Year ended 31-Mar-2017

(₹ in Lakhs)

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Sitting Fee	Outstanding loans/ advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri Gautam Roy	40.90	6.58	-	-	47.48	-	-
2) Shri S.Venkataramana	31.49	10.37	-	-	41.86	-	3.45
3) Shri U.Venkata Ramana	31.66	6.12	-	-	37.78	-	-
4) Shri S.Krishna Prasad	40.13	6.11	-	-	46.24	-	-
5) Shri P.Shankar	31.95	8.92	-	-	40.87	-	5.25
B. Independent / Government Nominee Directors*							
1)Shri .Mrutunjay Shaoo	-	-	-	-	-	0.20	-
2)Dr.P.B.Lohiya	-	-	-	-	-	0.20	-
3)Shri .G.Ramaswamy	-	-	-	-	-	2.00	-
TOTAL	**176.13**	**38.10**	**-**	**-**	**214.23**	**2.40**	**8.70**

*Sitting fees paid to Independent Directors

This does not include the impact of provision made on actuarial valution of retirement benofit/long term Schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual directors

3) Trusts

Transactions with Post Employment Benefit Plans managed through separate trust

(₹ in Lakhs)

SL. No	Name of the Trust	Post Employment Benefit Plan	31-Mar-18		31-Mar-17	
			Net Contribution	Outstanding Payable	Net Contribution	Outstanding Payable
A	CPCL Employees Provident Fund	Provident Fund	2012.22	437.28	1709.00	375.58
B	CPCL Employees Superannuation Benefit Fund	Pension Scheme	2112.71	217.28	2286.00	221.93
C	CPCL Employees Group Gratuity Trust	Gratuity	-	-	-	-

Note – 35 : FAIR VALUES

Set out below, is a comparison by class of the carrying amounts as per financial statements and fair value of the Company's financial instruments, along with the fair value measurement hierarchy:

(₹ in Lakhs)

Particulars	Carrying value		Fair value		Fair value measurement hierarchy level
	As at 31-Mar-18	As at 31-Mar-17	**As at 31-Mar-18**	As at 31-Mar-17	
Financial Assets					
Amortised Cost:					
Loans to employees	**4785.09**	4849.47	**4669.73**	4525.47	Level 2
Total	**4785.09**	4849.47	**4669.73**	4525.47	
Financial liabilities					
A. Borrowings:					
Amortised Cost:					
Non-Convertible Redeemable Bonds	**100000.00**	100000.00	**101453.61**	104157.56	Level 2
Finance lease obligation	**-**	334.25	**-**	334.25	Level 2
Preference Shares	**100000.00**	100000.00	**100809.08**	107325.00	Level 2
Term Loans from Banks - In Foreign Currency Loans	**32590.00**	32427.50	**32590.00**	32427.50	Level 2
Loans from financial Institutions	**206299.51**	317344.32	**206299.51**	317344.32	Level 2
Total	**438889.51**	550106.07	**441152.20**	561588.63	

Notes:

1. Levels under Fair Value measurement hierarchy are as follows:

(a) **Level 1** items fair valuation is based upon **market price quotation at each reporting date.**

(b) **Level 2** items fair valuation is based upon **Significant observable inputs like PV of future cash flows, MTM valuation, etc.**

(c) **Level 3** items fair valuation is based upon **Significant unobservable inputs wherein valuation done by independent valuer.**

2. The management assessed that Trade Receivables, Cash and Cash Equivalents, Bank Balances, Deposit for Leave Encashment Fund, Recoverable from Employee Benefits Trusts, Other Non-derivative Current Financial Assets, Short-term Borrowing, Trade Payables, Floating Rate Loans and Other Non-derivative Current Financial Liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

3. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Methods and assumptions

The following methods and assumptions were used to estimate the fair values at the reporting date:

Level 2 Hierarchy:

(i) **Derivative instruments at fair value through profit or loss viz.Foreign exchange forward contracts:** Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs are considered.

(ii) **Loans to employees, Loan to related parties, Security deposits paid and Security deposits received:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities

(iii) **Finance lease obligation:** For obligation arrived based on IRR, implicit rate applicable on the reporting date and for obligation arrived based on incremental borrowing rate, applicable rate for remaining maturity.

(iv) **Term Loans from Banks - In Foreign Currency:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities (Excluding floating rate borrowings)

(v) **Non Convertible Redeemable Preference shares :** The fair value of Preference shares is estimated by discounting future cash flows.

Note – 36 : FINANCIAL INSTRUMENTS AND RISK FACTORS

Financial Risk Factors

The Company's principal financial liabilities, other than derivatives, comprise Borrowings, trade and other payables, security deposits and employee liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include loans & advances, trade and other receivables, short-term deposits and cash / cash equivalents that derive directly from its operations. The company's requirement of crude oil imports are canalized through its holding company, Indian Oil Corporation Limited. The derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that trading in derivatives are taken only to hedge the various risks that the company is exposed to and not for speculation purpose.

To ensure alignment of Risk Management system with the corporate and operational objective and to improve upon the existing procedure, the Executive Committee of the company constituted a Committee comprising of officials from various functional areas to identify the risks in the present context, prioritize them and formulate proper action plan for implementation. The Committee has formulated the Risk Management Policy. The Action Taken Report on the Risk Management Policy for the year 2016-17 was reviewed by the Audit Committee and Board at the Meeting held on 15.05.2017 respectively and the Report for the year 2017-18 has been reviewed by the Audit Committee and Board at the Meeting held on 10.05.2018.

The Board of Directors oversees the risk management activities for managing each of these risks, which are summarised below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The major components of market risk are interest rate risk, foreign currency risk, commodity price risk and other price risks etc. Financial instruments affected by market risk include Borrowings, Deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31st March 2018 and 31st March 2017

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions, and other non-financial assets.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March 2018 and 31st March 2017 including the effect of hedge accounting.

- The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at 31st March 2018.

Interest rate risk

The Company is also exposed to interest rate risk from the possibility that changes in interest rates will affect future cash flows of a financial instrument, principally financial debt. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's interest rate risk management includes to maintain a mix between fixed and floating rates for rupee and foreign currency loans, based on liquidity, availability of cost effective instruments and considering the market / regulatory constraints. As as 31st March 2018, approximately 93% of the Company's borrowings are at a fixed rate of interest (31st March 2017: 94%).

The sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, on floating rate borrowings is as follows:

Currency	Increase / Decrease in basis points	Effect on profit before tax (₹ in Lakhs)	Increase / Decrease in basis points	Effect on profit before tax (₹ in Lakhs)
	31-Mar-18		31-Mar-17	
INR	+50	-	+50	-
US Dollar	+50	(162.95)	+50	(162.14)
INR	-50	-	-50	-
US Dollar	-50	162.95	-50	162.14

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years .

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and Borrowings.

The Company manages its foreign currency risk through combination of natural hedge, hedging undertaken on occurrence of pre-determined triggers as per the Risk management policy. The hedging is undertaken through forward contracts.

The sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant and the impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities is tabulated below. The Company's exposure to foreign currency changes for all other currencies is not material.

Currency	Increase / Decrease in %	Effect on profit before tax (₹ in Lakhs)	Increase / Decrease in %	Effect on profit before tax (₹ in Lakhs)
	31-Mar-18		31-Mar-17	
US Dollar	+5%	(20333.91)	+5%	(7242.90)
	-5%	20333.91	-5%	7242.90

The effects of most exchange rate fluctuations are absorbed in business operating results which are offset by changing cost competitiveness, lags in market adjustments to movements in rates to its other non-financial assets like inventory etc. For this reason, the total effect of exchange rate fluctuations is not identifiable separately in the company's reported results.

Credit risk

Trade receivables

Customer credit risk is managed according to the Company's policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. Transactions other than with oil marketing companies are either generally covered by Letters of Credit, Bank Guarantees or cash-and-carry basis.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counter parties and within credit limits assigned to each counter party so as to minimize concentration of risks and mitigate consequent financial loss.

Liquidity risk

The Company monitors its risk of shortage of funds using detailed cash flow projections which is monitored closely on daily basis. The Company seeks to manage its liquidity requirement by maintaining access to both short term and long term debt markets. In addition, Company has committed credit facilities from banks. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, commercial papers, bank loans and debentures. and finance leases. The Company assessed the concentration of risk and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ in Lakhs)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended						
31-Mar-18						
Borrowings	206299.51	50000.00	100000.00	82590.00	-	438889.51
Trade payables	27411.85	416952.61	-	-	-	444364.46
Other financial liabilities	45566.70	87.25	10145.51	-	-	55799.46
	279278.06	**467039.86**	**110145.51**	**82590.00**	**-**	**939053.43**
Year ended						
31-Mar-17						
Borrowings	-	317344.32	-	232427.50	-	549771.82
Trade payables	34126.30	131089.67	-	-	-	165215.97
Other financial liabilities	32267.88	64.98	10145.51	-	-	42478.37
	66394.18	**448498.97**	**10145.51**	**232427.50**	**-**	**757466.16**

Excessive risk concentration

Substantial portion of the Company's sales is to the Holding Company, Indian Oil Corporation Limited. Consequently, trade receivables from IOCL are a significant proportion of the Company's receivables. Since the operations are synchronised with those of the Holding Company, for optimal results, the same does not present any risk.

Collateral

As the Company has been rated investment grade by various rating agencies, there has been no requirement of submitting any collateral for booking of derivative contracts. The Company undertakes derivatives contract only with those counter parties that have credit rating above the internally approved threshold rating. Accordingly, the Company does not seek any collaterals from its counter parties.

Note – 37: CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company monitors capital using debt equity ratio, which is borrowings divided by Equity. The Company's strategy is to keep the debt equity ratio in the range of 2:1 and 1:1. The Company also includes accrued interest in the borrowings for the purpose of capital management.

(₹ in Lakhs)

Particulars	**31-Mar-18**	31-Mar-17
Borrowings	438889.51	549771.82
Accrued Interest thereon	10232.76	10210.49
Total Borrowings	**449122.27**	559982.31
Equity Share Capital	14900.46	14900.46
Reserves and Surplus	370749.12	316480.41
Equity	**385649.58**	331380.87
Debt Equity Ratio	**1.16 : 1**	1.69 : 1

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

Note – 38 : RESEARCH AND DEVELOPMENT COSTS

Research and Development Expenses of ₹ 370.47 Lakhs(2017: ₹ 60.28 Lakhs) have been capitalized and ₹ 780.82 Lakhs (2017: ₹ 393.66 Lakhs) have been accounted for in the Statement of Profit and Loss during the year. Detailed break up of total expenditure is as under:

A. CAPITAL EXPENSES (FIXED ASSETS)

(₹ in Lakhs)

Asset Block	Gross Block as at 1 Apr 2017	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at 31 Mar 2018	Work-in-Progress as at 1 Apr 2017	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31 Mar 2018	Total Capital Expenditure
1	2	3	4	5	6 = (2+3+4-5)	7	8	9	10 = (7+8-9)	11=(3+8)
Fixed Assets										
Plant & Equipment	**1240.54**	327.00	-	-	**1567.54**	-	6.23	-	6.23	**333.23**
Office Equipment	**11.97**	15.86	-	-	**27.83**	-	-	-	-	**15.86**
Furniture & Fixtures	**1.56**	21.38	-	-	**22.94**	-	-	-	-	**21.38**
Sub Total	**1254.07**	**364.24**	-	-	**1618.31**	-	**6.23**	-	**6.23**	**370.47**
Total	**1254.07**	**364.24**	-	-	**1618.31**	-	**6.23**	-	**6.23**	**370.47**

B. RECURRING EXPENSES

(₹ in Lakhs)

Sl.No	Particulars	31-Mar-18	31-Mar-17
1	Consumption of Stores, Spares & Consumables	287.43	34.59
2	Repairs & Maintenance (a) Plant & Machinery	33.06	21.21
3	Payment to and Provisions for employees	434.58	320.63
4	Other Expenses	25.75	17.23
	Total	**780.82**	393.66

C. TOTAL RESEARCH EXPENSES

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Capital Expenditure	370.47	60.28
Recurring Expenditure	780.82	393.66
Total	**1151.29**	453.94

Note – 39 Disclosure relating to Corporate Social Responsibility (CSR) Expenditure

The disclosure in respect of CSR expenditure for Financial Year ended 2017-18 is as under:

(₹ in Lakhs)

Particulars	**31-Mar-18**	31-Mar-17
(a) Gross amount required to be spent by the company during the year.		
Annual CSR Allocation	909.16	-
Carry forward from previous year	-	-
Gross amount required to be spent	**909.16**	**-**

(b) Amount spent during the year on:

(₹ in Lakhs)

	31-Mar-18			**31-Mar-17**		
	In cash	**Yet to be paid In cash****	**Total**	**In cash**	**Yet to be paid In cash****	**Total**
(i) Construction/acquisition of any assets	-	-	-	-	-	-
(ii) On purposes other than (i) above						
Health and Sanitation	116.69	-	116.69	41.25	-	41.25
Swachh Bharat	446.79	-	446.79	-	-	-
Education/employment vocational skills	107.50	-	107.50	2.00	-	2.00
Administration Expenses, training etc.	138.13	-	138.13	112.65	-	112.65
Drinking Water	20.94	-	20.94	-	-	-
Other expenses	88.13	-	88.13	31.61	-	31.61
Total Expenses (ii)	**918.18**	**-**	**918.18**	**187.51**	**-**	**187.51**
Grand Total (i) and (ii)	**918.18**	**-**	**918.18**	**187.51**	**-**	**187.51**

**Provisions made for liabilities incurred

Note 40 : EVENTS AFTER REPORTING PERIOD

1. The Board of Directors has recommended a dividend of 6.65% on the paid-up Preference Capital of the company, representing ₹ 0.665 per preference share and 185% on the paid-up Equity Capital of the company, representing ₹ 18.50 per equity share.

2. The Board of Directors of the Company at the meeting held on 05th April 2018, has accorded approval for the partial redemption of Non- Convertible Cumulative Redeemable Preference shares to the extent of ₹ 50000 Lakhs, out of the total outstanding amount of ₹ 100000 Lakhs. Accordingly, in terms of the issue, offer for partial redemption of Non-Convertible Cumulative Redeemable Preference shares to the extent of ₹ 50000 Lakhs, would be made to Indian Oil Corporation Limited. Based on the acceptance of the offer by IndianOil, further action in this regard would be initiated.

3. The Board of Directors of the Company at the meeting held on 05th April 2018 has accorded approval, (subject to the approval of the shareholders of the Company in the General Meeting)

   a) For cancellation of unsubscribed equity share capital of ₹ 2086.89 Lakhs consisting of 2,08,68,900 equity shares of Rs.10/- each, comprising of partial subscription to Rights Issue made by the company in 1984, by the Government of India and non-subscription by Amoco India Inc., to the Rights Issue made by the company in 1984;

   b) For cancellation of 2,19,700 forfeited equity shares of Rs.10/- each totaling ₹ 21.97 Lakhs (1,87,900 equity shares forfeited on 26.09.2003 and 31,800 equity shares forfeited on 26.10.2006)

Note – 41 : EXPOSURE TO FINANCIAL DERIVATIVES

Financial and Derivative Instruments:

1. All derivative contracts entered into by the Company are for hedging its foreign currency relating to underlying transactions and firm commitments and not for any speculative or trading purposes.

2. The company has No Outstanding forward contract as at 31st March 2018(2017 : NIL) which has been undertaken to hedge its exposure to borrowings and other financial liabilities.

3. Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2018 is given below:

(₹ in Lakhs)

Sl. No	Particulars	**As on 31-Mar-18 Aggregate amount**	As on 31-Mar-17 Aggregate amount
1	Unhedged- Payables	**434797.48**	157813.91
2	Unhedged- Receivables	**28119.19**	12955.92

Note – 42 : OTHER DISCLOSURES

1 **Details of impairment loss in respect of Cauvery Basin Refinery**

The Company has refineries at two locations viz., Manali and Nagapattinam (Cauvery Basin Refinery). Consequent to implementation of BS- IV specifications on a pan India basis w.e.f 01.04.2017 and in the absence of secondary treatment facilities, the BS – III grade of diesel production from CBR would not be marketable in the local market, entailing significant coastal/export under recoveries, which has adversely impacted the profitability of CBR and hence the value in use is negative. Accordingly, in line with the requirements of Ind AS -36, an amount of ₹ 432.77 Lakhs has been accounted as impairment loss during the year, being the difference between the carrying value of additions during the year ₹ 3345.16 Lakhs and the recoverable value of ₹ 1003.55 Lakhs after adjusting the impairment loss of ₹1908.84 Lakhs already accounted as part of Capital work in progress in previous year. This impairment loss has been recognised as part of Depreciation, Depletion and Amortisation of tangible and intangible assets in the statement of profit and loss as the carrying value of the assets is lower than the value in use/ estimated recoverable amount of this CGU. Total impairment loss recognized as on 31.03.2018 - ₹ 6611.41 Lakhs.

In estimating the value in use, the approximate weighted average capital cost has been considered as the discount rate used to calculate the net present value of the estimated future cash flows, which are subject to changes in the external environment.

The fair value less cost of disposal used to determine the recoverable amounts of the impaired assets are classified as level 3 fair value measurements (as detailed in statement of significant accounting policy no.4), as the estimated recoverable amounts are not based on observable market data, rather, management's best estimates. The results of impairment test are sensitive to changes in key judgements, such as changes in commodity prices, future changes in alternate use of assets etc, which could result in increase or decrease of the recoverable amounts and result in additional impairment charges or recovery of impairment charged.

2 Pay revision in respect of supervisory employees due from 01.01.2017 has been implemented based on receipt of presidential directives on 29.10.2017 and accounted accordingly. Pending finalization of revision in pay and benefits in respect of non - supervisory employees, provision of ₹ 3783 Lakhs, including consequential impact of retirement benefits has been reckoned during the year - Refer note 25.(2017: ₹ 11064 Lakhs for all employees)

3 The Employees Township at Cauvery Basin Refinery has been constructed on land area of thirty four acres and forty nine cents of land leased from a trust on five-year renewable basis.

4 As part of CSR activities, CPCL sponsors polytechnic college, for which twenty acres of land of the company has been leased to the CPCL Educational Trust for a period of 50 years.

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

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

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

6 The Company's Property, Plant & Equipments and stores & spares were damaged due to the severe floods in Chennai during December 2015. As against the final claim amount of ₹ 607.13 Lakhs (replacement & repair cost net of deductibles), on account payment of ₹ 300.00 Lakhs received from the insurance company in FY 2015-16, has been disclosed as income in that year. In respect of damages suffered due to Vardha cyclone during December 2016, the Company has filed insurance claim for an estimated amount of ₹ 992.34 Lakhs (replacement cost after considering the deductibles). Final claim is yet to be lodged with the insurance company

7 **Valuation of Finished Products:**

The overall gross margin percentage for all joint products is subtracted from the final net realisable value of each product to arrive at the total cost of each product which is taken as the basis for valuation of closing stock of finished products. (Refer Policy No 7.2 in Note – 1 – "Statement of Significant Accounting Policies").

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

9 Previous year's comparative figures have been regrouped, reclassified and recast wherever necessary.

CONSOLIDATED FINANCIAL STATEMENTS 2017-18

INDEPENDENT AUDITORS' REPORT

To

The Members of Chennai Petroleum Corporation Limited
Chennai

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Chennai Petroleum Corporation Limited(hereinafter referred to as "the Holding Company") and its jointly controlled entities / Joint operations, comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Holding Company and its jointly controlled entities / Joint operations in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 / Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the Holding Company and its jointly controlled entities / Joint operations are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its jointly controlled entities / Joint operations and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

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

a) Of the consolidated state of affairs (financial position) of the Holding Company and its jointly controlled entities / Joint operations as at 31st March, 2018, and

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

c) their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and jointly controlled entities / joint ventures and joint operations, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 / Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled entities / joint ventures and joint operations incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies / joint venture incorporated in India is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associate companies and jointly controlled entities/ joint ventures and joint operationsincorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and jointly controlled entities/joint ventures and joint operations, as noted in the 'Other matter' paragraph:

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

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

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

OTHER MATTERS

We did not audit the financial statements / financial information of two jointly controlled entities/ Joint operation, whose financial statements / financial information reflect total assets of ₹ 41,995.67 Lakhs and net assets of ₹ 30,488.19 Lakhs as at 31st March, 2018, total revenues of ₹ 65,285.93 Lakhs and net cash outflows amounting to ₹ 737.10 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the share of total comprehensive income of ₹ 1966.72 Lakhs for the year ended 31st March, 2018, as considered in the consolidated financial statements, in respect of jointly controlled entities / Joint operation, whose financial statements / financial information have not been audited by us. The financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled entity / operation, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid jointly controlled entity, is based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

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

R.Kumarasubramanian
Partner
Membership No: 021888

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

V.C.Krishnan
Partner
Membership No:022167

Place: Chennai
Date: 10th May 2018

Annexure A to the Auditors' Report

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

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

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its jointly controlled entities / joint operations which are companies incorporated in india are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

Other Matters

Our aforesaid reports under section 143 (3) (i) of the act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to Joint controlled entities / Joint operations, which is incorporated in India, is based on the corresponding report of the auditors of such companies incorporated in India.

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

R.Kumarasubramanian
Partner
Membership No: 021888

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

V.C.Krishnan
Partner
Membership No:022167

Place: Chennai
Date: 10th May 2018

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2018

(₹ in Lakhs)

	Particulars	Note	31-Mar-2018	31-Mar-2017
I	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment	2	**588873.67**	387783.12
	(b) Capital work-in-progress	2.1	**140980.20**	275660.74
	(c) Intangible assets	3	**2478.98**	500.32
	(d) Intangible assets under development	3.1	**-**	596.98
	(e) Investment in Joint Ventures	4	**15244.10**	13989.53
	(f) Financial Assets			
	(i) Investments	4.1	**10.90**	10.90
	(ii) Loans	5	**3486.02**	3378.93
	(iii) Other Financial Assets	6	**4780.13**	4740.67
	(g) Income tax assets (Net)	7	**1159.91**	-
	(h) Other non-current assets	8	**4800.08**	9750.35
			761813.99	696411.54
(2)	**Current assets**			
	(a) Inventories	9	**475911.46**	320705.75
	(b) Financial Assets			
	(i) Trade receivables	10	**156948.45**	103970.20
	(ii) Cash and cash equivalents	11	**4.10**	26.25
	(iii) Other bank balances	12	**866.31**	1666.73
	(iv) Loans	5	**2346.65**	2700.17
	(v) Other Financial Assets	6	**2605.46**	1119.44
	(c) Other current assets	8	**30103.48**	35686.30
			668785.91	465874.84
	TOTAL		**1430599.90**	1162286.38
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share capital	13	**14900.46**	14900.46
	(b) Other Equity	14	**384799.74**	329209.69
	LIABILITIES			
(1)	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	15	**82590.00**	232427.50
	(b) Provisions	17	**23262.11**	13314.97
	(c) Deferred tax liabilities (Net)	7	**20619.84**	2425.41
	(d) Other non-current liabilities	18	**605.03**	4037.61
			127076.98	252205.49
(2)	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	19	**206299.51**	317344.32
	(ii) Trade payables	20	**444364.46**	165215.97
	(iii) Other financial liabilities	16	**205799.46**	42478.37
	(b) Other current liabilities	18	**38581.32**	25465.68
	(c) Provisions	17	**8777.97**	13658.67
	(d) Current Tax Liabilities (Net)	7	**-**	1807.73
			903822.72	565970.74
	TOTAL		**1430599.90**	1162286.38

See accompanying notes to the financial statements **1-44**

(S N Pandey)	**(Rajeev Ailawadi)**	**(P.Shankar)**
Managing Director	**Director (Finance)**	**Company Secretary**

As per our attached Report of even date

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

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

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

V.C. Krishnan
Partner
Membership No. 022167

CPCL

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

(₹ in Lakhs)

	Particulars	Note	31-Mar-18	31-Mar-17
I.	**Revenue from operations**	21	4418917.76	4060738.26
II.	**Other income**	22	3283.85	3413.27
III.	**Total Income (I + II)**		4422201.61	4064151.53
IV.	**Expenses:**			
	Cost of materials consumed	23	2931344.81	2425578.38
	Purchase of Stock-in-Trade		40062.17	15957.40
	Changes in Inventories (Finished Goods and Work-In Progress)	24	(60667.03)	10554.05
	Excise Duty (including duty on inventory difference ₹ 5796.30 Lakhs (2017: ₹ (17152.05) Lakhs)		1166118.54	1291598.07
	Employee benefits expense	25	58175.67	51288.36
	Finance costs	26	32085.63	27278.21
	Depreciation and Amortisation expense on:			
	a) Tangible Assets		33878.98	27817.53
	b) Intangible Assets		141.34	45.54
	Impairment of Non Current Asset		432.77	6178.65
	Other expenses	27	75329.55	72006.96
	Total Expenses (IV)		4276902.43	3928303.15
V	**Profit/(Loss) before Exceptional items and tax (III - IV)**		145299.18	135848.38
VI	**Share of Profit of Joint Ventures**		1954.21	2,763.38
VII	**Exceptional Items**		-	-
VIII	**Profit/(Loss) before tax (V + VI + VII)**		147253.39	138611.76
IX	**Tax expense:**	7		
	(1) Current tax [Includes ₹ 3138.80 Lakhs(2017: NIL) relating to prior years]		36666.33	30803.18
	(2) Deferred tax [Includes ₹ 1523.25 Lakhs(2017: NIL) relating to prior years]		17864.94	2726.24
X	**Profit/(loss) for the year from continuing operations (VIII - IX)**		92722.12	105082.34
XI	Profit/(loss) from discontinued operations		-	-
XII	Tax expense of discontinuing operations		-	-
XIII	**Profit/(loss) from Discontinued operations(after tax) (X - XI)**		-	-
XIV	**Profit / (loss) for the year (X + XIII)**		92722.12	105082.34
XV	**Other Comprehensive Income**	28		
A.	(i) Items that will not be reclassified to profit or loss		962.00	(868.76)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	7	(336.10)	300.66
B.	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income Tax relating to items that will be reclassified to profit or loss		-	-
XVI	**Total Comprehensive Income for the year (XIV + XV) (Comprising Profit/ (Loss) and Other Comprehensive Income for the year)**		93348.02	104514.24
XVII	**Earning per equity share:**			
	(1) Basic (₹)		62.27	70.57
	(2) Diluted (₹)		62.27	70.57
	See accompanying notes to the financial statements	1 - 44		

(S N Pandey)
Managing Director

(Rajeev Ailawadi)
Director (Finance)

(P.Shankar)
Company Secretary

As per our attached Report of even date

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

R. Kumarasubramanian
Partner
Membership No. 021888

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

V.C. Krishnan
Partner
Membership No. 022167

Place : Chennai
Date : 10-May-2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2018

(a) Equity Share Capital **(₹ in Lakhs)**

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

(b) Other equity **(₹ in Lakhs)**

	Reserves and Surplus					
	Securities Premium	Debenture Redemption Reserve	Capital Redemption reserve	Retained earnings	General reserve	Total
As at 1 April 2016	25003.82	15000.00	20000.00	(161032.35)	333013.51	**231984.97**
Profit for the Year	-	-	-	105082.34	-	**105082.34**
Other comprehensive income (Remeasurement of gain or loss on defined benefit plan)	-	-	-	-	(568.10)	**(568.10)**
Total comprehensive income	-	-	-	105082.34	(568.10)	**104514.24**
Transfer to Retained Earnings	-	-	-	-	-	-
Transfer to Capital Redemption Reserve	-	-	20000.00	(20000.00)	-	-
Transfer to Debenture Redemption Reserve	-	5000.00	-	(5000.00)	-	-
Dividend for FY 15-16	-	-	-	(5956.46)	-	**(5956.46)**
Dividend distribution tax (DDT) of FY 15-16	-	-	-	(1333.06)	-	**(1333.06)**
At 31 March 2017	**25003.82**	**20000.00**	**40000.00**	**(88239.53)**	**332445.41**	**329209.69**

(₹ in Lakhs)

	Reserve and Surplus					
	Securities Premium	Debenture Redemption Reserve	Capital Redemption reserve	Retained earnings	General reserve	Total
As at 1 April 2017	25003.82	20000.00	40000.00	(88239.54)	332445.41	329209.69
Profit for the Year	-	-	-	92722.12	-	92722.12
Other comprehensive income (Remeasurement of gain or loss on defined benefit plan)	-	-	-	-	625.90	625.90
Total comprehensive income	-	-	-	92722.12	625.90	93348.02
Transfer to Retained Earnings	-	-	-	-	-	-
Transfer to Capital Redemption Reserve	-	-	20000.00	(20000.00)	-	-
Transfer to Debenture Redemption Reserve	-	5000.00	-	(5000.00)	-	-
Dividend for FY 16-17	-	-	-	(31271.39)	-	(31271.39)
Dividend distribution tax (DDT) of FY 16-17	-	-	-	(6486.58)	-	(6486.58)
At 31 March 2018	**25003.82**	**25000.00**	**60000.00**	**(58275.39)**	**333071.31**	**384799.74**

(S N Pandey)
Managing Director

(Rajeev Ailawadi)
Director (Finance)

(P.Shankar)
Company Secretary

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Chartered Accountants
(FRN : 004137S / S200041)

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

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

V.C. Krishnan
Partner
Membership No. 022167

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

(₹ in Lakhs)

	Particulars	31-Mar-18	31-Mar-17
A	**Cash Flow from Operating Activities**		
1	**Profit Before Tax**	**147253.39**	138611.76
2	**Adjustments for :**		
	Depreciation of property, plant and equipment	**33878.98**	27817.53
	Impairment of Non Current Asset	**432.77**	6178.65
	Unclaimed / Unspent liabilities written back	**(232.76)**	(415.19)
	Loss/(gain) on disposal of property, plant and equipments (net)	**205.99**	351.13
	Amortisation and impairment of intangible assets	**141.34**	45.54
	Amortisation of Government Grants	**(3387.66)**	(222.76)
	Net Exchange Differences	**162.50**	(1014.20)
	Provision for Probable Contingencies (net)	**-**	1105.61
	Provision for Capital work-in-progress	**(0.18)**	237.70
	Provision for Doubtful Debts, Advances and Claims	**67.83**	1082.80
	Provision for Stores (net)	**465.17**	220.80
	Finance income	**(1551.58)**	(1572.80)
	Finance costs	**32085.63**	27278.21
	Share of Joint Ventures	**(1954.21)**	(2763.38)
3	**Operating Profit before Working Capital Changes (1+2)**	**207567.21**	196941.40
4	**Change in Working Capital:**		
	(Excluding Cash & Cash equivalents)		
	Trade & Other Receivables	**(42991.63)**	(29523.64)
	Inventories	**(155670.88)**	(3400.21)
	Trade and Other Payables	**298693.69**	(88145.14)
	Provisions	**5679.83**	13905.56
	Change in Working Capital	**105711.02**	(107163.43)
5	**Cash Generated From Operations (3+4)**	**313278.23**	89777.97
6	**Less : Taxes paid**	**(37609.68)**	(28904.23)
7	**Net Cash Flow from Operating Activities (5-6)**	**275668.55**	60873.74
B	**Cash Flow from Investing Activities:**		
	Proceeds from sale of Property, plant and equipment/Transfer of Assets	**22.23**	14.93
	Purchase of Property, plant and equipment	**(99085.16)**	(119110.56)
	Interest received (Finance Income)	**1551.58**	1572.80
	Dividend Income	**591.70**	591.70
	Net Cash Generated/(Used) in Investing Activities:	**(96919.65)**	(116931.13)
C	**Net Cash Flow From Financing Activities:**		
	Proceeds from Long-Term Borrowings (Including finance lease)	**-**	33441.70
	Repayments of Long-Term Borrowings (Including finance lease)	**(334.25)**	(334.25)
	Proceeds from/(Repayments of) Short-Term Borrowings	**(111044.81)**	61296.07
	Interest paid	**(29754.47)**	(31160.00)
	Dividends paid	**(31271.39)**	(5956.46)
	Dividend distribution tax paid	**(6366.12)**	(1212.60)
	Net Cash Generated/(Used) from Financing Activities:	**(178771.04)**	56074.46
D	**Net Change in Cash & cash equivalents (A+B+C)**	**(22.15)**	17.07
E - 1	Cash & cash equivalents as at end of the year	**4.10**	26.25
E - 2	Cash & cash equivalents as at beginning of the year	**26.25**	9.18
	NET CHANGE IN CASH & CASH EQUIVALENTS (E 1- E 2)	**(22.15)**	17.07

Notes :

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

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

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

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

(S N Pandey)
Managing Director

(Rajeev Ailawadi)
Director (Finance)

(P.Shankar)
Company Secretary

As per our attached Report of even date

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Chartered Accountants
(FRN: 004137S / S200041)

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

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

V.C. Krishnan
Partner
Membership No. 022167

Note-1A Corporate Information & Significant Accounting Policies

A. Corporate Information

The consolidated financial statements of "Chennai Petroleum Corporation Limited" ("Company" or "CPCL") are for the year ended 31st March 2018.

CPCL is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at 536, Anna Salai, Teynampet, Chennai- 600018. (CIN – L40101TN1965GOI005389)

CPCL together with its joint ventures and associates is herein after referred to as Group.

The Group is in the business of refining crude oil to produce & supply various petroleum products, manufacture and sale of lubricating oil additives.

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

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

B. Amendments to Standards effective 1st April,2017

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

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

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

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

C. Standards issued but not yet effective

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

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

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

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

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

D. Significant Accounting Policies

1. BASIS OF PREPARATION / CONSOLIDATION

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

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

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

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

1.2. BASIS OF CONSOLIDATION

1.2.1 Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the entities.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity then discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

1.2.2 Interest in Joint operations

For the interest in joint operations, the Group recognises:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Share of the revenue from the sale of the output by the joint operation
- Expenses, including its share of any expenses incurred jointly

2. FIXED ASSETS

2.1. Property, Plant and Equipment (PPE)

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

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

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

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

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

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

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

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

2.2. Construction Period Expenses on Projects:

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

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

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

2.3. Capital Stores (included in CWIP)

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

2.4. Intangible assets

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

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

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

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

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

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

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

2.5. Depreciation / Amortisation

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

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

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

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

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

3. LEASES

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

3.1.2. Operating Leases as a lessee

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

(i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken on lease; or
(ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases

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

3.1.3. Operating Leases as a lessor

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

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

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

3.1.4. Finance leases as lessee

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

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

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

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

4. IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

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

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

5. BORROWING COSTS

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

6. FOREIGN CURRENCY TRANSACTIONS

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

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

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

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

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

7. INVENTORIES

7.1. Raw Materials & Stock-in-Process

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

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

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

7.2. Finished Products and Stock-in-Trade

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

7.3. Stores and Spares

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

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

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

8. PROVISIONS, CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

8.1. Provisions

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

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

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

8.2. Contingent Liabilities

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

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

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

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

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

8.3. Capital Commitments

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

9. REVENUE RECOGNITION

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

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

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

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

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

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

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

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

10. EXCISE DUTY

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

11. TAXES ON INCOME

11.1. **Current income tax**

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

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

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

11.2. Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences

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

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

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

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

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

13. EMPLOYEE BENEFITS

13.1. Short Term Benefits

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

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

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

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

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

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

13.3. Termination Benefits

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

13.4. Remeasurements

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

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

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

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

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

14. GRANTS

14.1. Capital Grants

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

14.2. Revenue Grants

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

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

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

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

15. CURRENT VERSUS NON-CURRENT CLASSIFICATION

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

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

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

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

15.4. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

15.5. The Group classifies all other liabilities as non-current.

16. FINANCIAL INSTRUMENTS

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

16.1. Financial assets

16.1.1. Initial recognition and measurement

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

16.1.2. Subsequent measurement

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

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

16.1.3. Financial Assets at amortised cost

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

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

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

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

16.1.4. Debt instrument at FVTOCI

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

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

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

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

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

16.1.5. Equity instrument at FVTOCI

A. Equity investments (Other than subsidiaries, JVs and associates)

All equity investments in scope of Ind AS 109 are measured at fair value. The Group has made an irrevocable election to present subsequent changes in the fair value in other comprehensive income, excluding dividends. The classification is made on initial recognition/transition and is irrevocable. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

B. Equity investments in JVs and associates

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

16.1.6. Debt Instruments and derivatives at FVTPL

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

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

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

16.1.7. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

16.2. Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance; and
b. Lease receivables under Ind AS 17

Simplified Approach

The Group follows 'simplified approach' for recognition of impairment loss allowance, if any, on Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

General Approach

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

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

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

16.3. Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives, if any, are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative instrument Initial recognition / Subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Commodity contracts

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

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

17. FAIR VALUE MEASUREMENT

17.1. The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

17.2. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

17.3. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

17.4. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

17.5. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
In case of Level 3 valuations, External valuers are also involved in some cases.

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

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

19. CASH FLOW STATEMENT

Cash flow statement are reported using the indirect method, whereby net profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

Note – 1B : SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. These include recognition and measurement of financial instruments, estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, measurement of employee benefits, actuarial assumptions, provisions etc.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

JUDGEMENTS

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

Contingencies

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

ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans / Other Long term employee benefits

The cost of the defined benefit plans and other long term employee benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. The management considers the interest rates of government securities based on expected settlement period of various plans.

Further details about various employee benefit obligations are given in Note 32.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model based on level-2 and level-3 inputs. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as price estimates, volume estimates, rate estimates etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also refer Note-35 for further disclosures of estimates and assumptions.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less cost of disposal used to determine the recoverable amounts of the impaired assets are not based on observable market data, rather , management's best estimates. The value in use calculation is based on a DCF model. The cash flows do not include impact of significant future investments that may enhance the asset's performance of the CGU being tested. The results of impairment test are sensitive to changes in key judgements, such as changes in commodity prices, future changes in alternate use of assets etc, which could result in increase or decrease of the recoverable amounts and result in additional impairment charges or recovery of impairment charged.

Refer Note 42.1 on impairment recognized during the year.

Note – 2 : PROPERTY, PLANT AND EQUIPMENT

Current Year.

(₹ in Lakhs)

	Particulars	Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant and Equipment	Office Equipments	Transport Equipments	Furniture and Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	Total
GROSS BLOCK		Note: A			Note: B				Note: C		Note: E
	Gross Block as at 1st April 2017	4004.68	591.99	13721.99	421896.55	1707.76	955.52	884.82	0.30	1873.33	445636.94
	Additions during the Year	425.89	-	4562.81	231171.31	556.50	138.94	526.64	-	157.28	237539.37
	Disposals/ Deductions/ Transfers to Held for Sale / Reclassifications	-	-	(5.35)	(194.75)	(42.87)	(14.34)	(48.35)	-	-	(305.66)
	Gross Block as at 31st March 2018	**4430.57**	**591.99**	**18279.45**	**652873.11**	**2221.39**	**1080.12**	**1363.11**	**0.30**	**2030.61**	**682870.65**
DEPRECIATION, AMORTISATION AND IMPAIRMENT	Depreciation and Amortisation as at 1st April 2017	-	14.08	1438.70	50798.56	689.31	92.59	354.15	-	224.84	53612.23
	Depreciation and Amortisation during the Year.	-	7.04	571.77	32473.65	450.50	75.73	201.44		98.85	33878.98
	Disposals/ Deductions/ Transfers to Held for Sale / Reclassifications	-	-	(0.36)	(35.14)	(23.46)	(0.67)	(17.83)	-	0.02	(77.44)
	Total Depreciation and Amortisation upto 31st March 2018	**-**	**21.12**	**2010.11**	**83237.07**	**1116.35**	**167.65**	**537.76**	**-**	**323.71**	**87413.77**
	Total Impairment Loss as at 1st April 2017	-	-	1469.74	2752.80	-	-	-	-	19.06	4241.60
	Impairment Loss during the Year (Note: D)	-	-	6.63	2334.98	-	-	-	-	-	2341.61
	Impairment loss reversed during the Year	-	-	-	-	-	-	-	-	-	-
	Total Impairment Loss upto 31st March 2018	**-**	**-**	**1476.37**	**5087.78**	**-**	**-**	**-**	**-**	**19.06**	**6583.21**
NET BLOCK	**AS AT 31st March 2018**	**4430.57**	**570.87**	**14792.97**	**564548.26**	**1105.04**	**912.47**	**825.35**	**0.30**	**1687.84**	**588873.67**
	AS AT 31st March 2017	4004.68	577.91	10813.55	368345.19	1018.45	862.94	530.67	0.30	1629.43	387783.12

Previous Year.

(₹ in Lakhs)

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

A. Gross block of Land includes ₹ 18.36 Lakhs deposited towards 50.93 acres of Land for which assignment deed is yet to be received from Govt. of TamilNadu.
B. The cost of assets includes EPCG benefit (net of CENVAT), wherever applicable
C. Represents 5/24 share of total cost of the Railway Siding jointly owned by the Company along with Madras Fertilizers Limited, Madras Petrochem Limited, Steel Authority of India Limited and Rashtriya Ispat Nigam Limited.
D. Impairment loss pertains to Cauvery Basin Refinery (refer Note 42.1)
E. The cost of assets are net of GST/VAT CREDIT/CENVAT, wherever applicable.

Details of assets under finance lease included above (Refer-Note-15(D)&33(B))

(₹ in Lakhs)

	Particulars	Plant and Equipment	Buildings	Total
GROSS BLOCK	Gross Block as at 1st April 2017	995.33	825.54	1820.87
	Additions during the Year			
	Reclassification	(995.33)	(825.54)	(1820.87)
	Gross Block as at 31st March 2018	**-**	**-**	**-**
DEPRECIATION AND AMORTISATION	Depreciation and Amortisation as at 1st April 2017	103.06	70.85	173.91
	Depreciation and Amortisation during the Year	38.65	26.57	65.22
	Reclassification	(141.71)	(97.42)	(239.13)
	Total Depreciation and Amortisation upto 31st March 2018	-	-	-
NET BLOCK	**AS AT 31st March 2018**	-	-	-
	AS AT 31st March 2017	892.27	754.69	1646.96

Additions to Gross Block Includes: **(₹ in Lakhs)**

Asset Particulars	Borrowing Cost	
	31-Mar-18	31-Mar-17
Buildings	**507.72**	-
Plant and Equipment	**17681.67**	
Total	**18189.39**	**-**

Note – 2.1 : CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Sl.No	Particulars	Note		31-Mar-18		31-Mar-17
1	Construction Work in Progress - Fixed Assets					
	(Including unallocated capital expenditure, materials at site)					
	Balance as at beginning of the year		276675.20		165970.69	
	Add: Additions during the year		96149.04		114598.24	
	Less: Allocated/ Capitalised during the year		231377.32		3893.73	
			141446.92		276675.20	
	Less: Provision for Capital Losses		1307.66		1307.84	
	Less: Impairment Loss	A	-		1908.84	
				140139.26		273458.52
2	Capital stores balance as at beginning of the year		2502.79		2708.70	
	Add: Additions during the year		29422.05		6106.11	
	Less: Allocated during the year		30799.31		6312.02	
			1125.53		2502.79	
	Less: Provision for Capital Losses		300.57		300.57	
	Capital stores			**824.96**		2202.22
3	Capital Goods in Transit			**15.98**		-
4	Construction Period Expenses pending allocation:					
	Net expenditure during the year (Note -"2.2")		11925.16		11717.10	
	Less: Allocated during the year		11925.16		11717.10	
			-		-	
	TOTAL	**B**		**140980.20**		275660.74

A Impairment loss pertains to Cauvery Basin Refinery (refer Note 42.1)

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

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

(₹ in Lakhs)

	Particulars	31-Mar-18	31-Mar-17
1	Employee Benefit expenses	**1804.35**	1311.05
2	Power & Fuel	**2275.03**	282.69
3	Finance Cost	**7745.35**	10046.42
4	Travelling Expenses and Others	**100.43**	76.94
	Net Expenditure during the year	**11925.16**	11717.10
	Effective weighted average interest rate of borrowings eligible for capitalisation (Rate in %)	**7.92**	8.51

Note – 3: INTANGIBLE ASSETS
(1) Intangible assets with definite useful life
Current Year :

(₹ in Lakhs)

	Particulars	Computer Software	Technical Know-How, Royalty and Licenses	Total
GROSS BLOCK	Gross Block as at 1st April 2017	81.18	576.01	657.19
	Additions during the Year	9.71	2110.29	2120.00
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Gross Block as at 31st March 2018	**90.89**	**2686.30**	**2777.19**
AMORTISATION AND IMPAIRMENT	Amortisation as at 1st April 2017	56.42	99.13	155.55
	Amortisation during the Year	12.49	128.85	141.34
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-	-	-
	Total Amortisation upto 31st March 2018	**68.91**	**227.98**	**296.89**
	Total Impairment Loss as at 1st April 2017	1.32	-	1.32
	Impairment Loss during the Year (A)	-	-	-
	Impairment loss reversed during the Year	-	-	-
	Total Impairment Loss upto 31st March 2018	**1.32**	**-**	**1.32**
NET BLOCK	**AS AT 31st March 2018**	**20.66**	**2458.32**	**2478.98**
	AS AT 31st March 2017	23.44	476.88	500.32

Previous Year :

(₹ in Lakhs)

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

(2) Intangible assets with indefinite useful life

Current Year :

(₹ in Lakhs)

	Particulars	Right of Way
GROSS BLOCK	Gross Block as at 1st April 2017	26.88
	Additions during the Year	-
	Disposals/ Deductions/Transfers to Held for Sale/ Reclassifications	-
	Gross Block as at 31st March 2018	**26.88**
AMORTISATION AND IMPAIRMENT	Total Impairment Loss as at 1st April 2017	26.88
	Impairment Loss during the Year (A)	-
	Impairment loss reversed during the Year	-
	Total Impairment Loss upto 31st March 2018	**26.88**
NET BLOCK	**AS AT 31st March 2018**	-
	AS AT 31st March 2017	-

Previous Year :

(₹ in Lakhs)

	Particulars	Right of Way
GROSS BLOCK	Gross Block as at 1st April 2016	26.88
	Additions during the Year	-
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-
	Gross Block as at 31st March 2017	**26.88**
AMORTISATION AND IMPAIRMENT	Total Impairment Loss as at 1st April 2016	
	Impairment Loss during the Year (A)	26.88
	Impairment loss reversed during the Year	-
	Total Impairment Loss upto 31st March 2017	**26.88**
NET BLOCK	**AS AT 31st March 2017**	-
	AS AT 31st March 2016	26.88

(A) Impairment loss pertains to Cauvery Basin Refinery (refer Note 42.1)

Note – 3.1 : INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Lakhs)

Particulars		31-Mar-18	31-Mar-17
Work in Progress - Intangible Asset:			
Balance as at beginning of the year	596.98		596.98
Add: Net expenditure during the year	1513.31		-
	2110.29		596.98
Less: Allocated during the year	2110.29		-
	-		596.98
		-	596.98
TOTAL		-	596.98

Note : Pertains to Property, Plant and Equipment under construction

Note – 4 : INVESTMENT IN JOINT VENTURES

(₹ in Lakhs)

Sl. No	Particulars	No. and Particulars	Face Value per share (₹)	Non-current 31-Mar-18	Non-current 31-Mar-17
I	**Investments in equity shares**				
1	**Unquoted:**				
a)	**Investment in Joint Venture Companies:**				
	Indian Additives Ltd.	1183401 Equity Shares fully paid	100	**1183.40**	1183.40
	Add: Share of Other Equity (inclusive of OCI)			**14060.70**	12806.13
	National Aromatics and Petrochemical Corporation Limited	25000 Equity Shares fully paid	10	**2.50**	2.50
	Less: Provision for Diminution			**2.50**	2.50
				-	-
	TOTAL			**15244.10**	**13989.53**
	Aggregate value of unquoted investments			**15246.60**	**13992.03**
	Aggregate amount of provision for value of investments			**2.50**	**2.50**

Note – 4.1 : INVESTMENTS

(₹ in Lakhs)

Sl. No	Particulars	No. and Particulars	Face Value per share (₹)	Non-current 31-Mar-18	Non-current 31-Mar-17
I	**Other Investments:**				
	Investments at fair value through OCI (fully paid):				
a)	Biotech Consortium India Ltd	100000 Equity Shares fully paid	10	**10.00**	10.00
b)	MRL Industrial Cooperative Service Society Ltd	9000 Shares fully paid	10	**0.90**	0.90
	TOTAL	**A**		**10.90**	10.90
	Aggregate value of unquoted investments			**10.90**	10.90
	Aggregate amount of impairment in value of investments			-	-

A Fair Value approximates carrying value

Note – 5 : LOANS

(₹ in Lakhs)

SL. No	Particulars	Note	Non-current			Current		
				31-Mar-18	31-Mar-17		31-Mar-18	31-Mar-17
1	**Security Deposits**							
	To Others							
	i) Unsecured, Considered Good			**92.94**	84.90		**954.64**	1144.73
2	**Loans:**							
	To Related Parties							
	i) Secured, Considered Good	**A.1**	3.58		3.74	0.90		0.84
	ii) Unsecured, Considered Good	**A.2**	0.24		1.84	1.71		2.28
			3.82		5.58	**2.61**		3.12
	To Others							
	i) Secured, Considered Good		2131.56		2054.28	565.62		467.15
	ii) Unsecured, Considered Good		1257.70		1234.17	823.78		1085.17
			3389.26		3288.45	**1389.40**		1552.32
	Sub Total			**3393.08**	3294.03		**1392.01**	1555.44
	TOTAL			**3486.02**	3378.93		**2346.65**	2700.17

NOTES:

		Non-current 31-Mar-18	Non-current 31-Mar-17	Current 31-Mar-18	Current 31-Mar-17
A.1	**Includes:**				
	1 Due from Directors	**0.69**	0.25	**0.29**	0.34
	2 Due from Officers	**2.89**	3.49	**0.61**	0.50
A.2	**Includes:**				
	1 Due from Directors	**-**	1.32	**1.39**	1.55
	2 Due from Officers	**0.24**	0.52	**0.32**	0.73

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

(₹ in Lakhs)

Particulars	Amount as on		Maximum Amount outstanding during the year ended	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
I. Loans and Advances in the nature of loans:				
A) To Parent Company	-	-	-	-
B) To Associates /Joint Venture	-	-	-	-
C) To Firms/Companies in which directors are are interested	-	-	-	-

Note – 6 : OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Sl. No	Particulars	Non - Current 31-Mar-18	Non - Current 31-Mar-17	Current 31-Mar-18		Current 31-Mar-17
1	**Deposit for Leave Encashment Fund**	**4780.13**	4740.67		-	-
2	**Interest Accrued on Investments / Bank Deposits/ Loans**	-	-		**4.15**	2.47
3	**Claims Recoverable :**					
	a) From Related Parties					
	i) Unsecured, Considered Good	-	-	1.29		140.00
	ii) Unsecured, Considered Doubtful	-	-	2158.73		2156.81
		-	-	**2160.02**		2296.81
	b) Others					
	i) Unsecured, Considered Good	-	-	2450.96		753.38
	ii) Unsecured, Considered Doubtful	-	-	650.08		584.17
		-	-	**3101.04**		1337.55
	Less : Provision for Doubtful Claims	-	-	2808.81		2740.98
	Sub Total	-	-		**2452.25**	893.38
4	**Other Financial Assets**	-	-		**149.06**	223.59
	TOTAL	**4780.13**	4740.67		**2605.46**	1119.44

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

(₹ in Lakhs)

Particulars	Non - Current			Current	
	31-Mar-18		31-Mar-17	31-Mar-18	31-Mar-17
Tax Asset/ (Liability) - Net (Current)					
Advance payments for Current Tax	66622.49		-	-	31254.15
Less: Provision for Current Tax	65462.58		-	-	33061.88
Current Tax Asset/ (Liability) - Net		1159.91	-	-	(1807.73)
TOTAL		1159.91	-	-	(1807.73)

(I) Reconciliation between the average effective tax rate and the applicable tax rate is as below:

Particulars	31-Mar-18	31-Mar-17
Accounting profit		
Tax at the applicable tax rate of 34.94% (31.3.2017: 34.608%)	**34.94%**	**34.61%**
Tax effect of income that are not taxable in determining taxable profit:	(0.16%)	(0.10%)
Tax effect on share of results of joint venture:	(0.46%)	(0.69%)
Recognition of DTA on Carry forward losses restricted to the expent of DTL:	-	(11.80%)
Tax effect of expenses that are not deductible in determining taxable profit:	3.28%	2.16%
Tax expense /income related to prior years :	3.17%	-
Tax effect on recognition of previously unrecognised allowances / disallowances :	(3.96%)	-
Tax effect due to Change in applicable Tax rates :	0.22%	-
Tax expense	**37.03%**	**24.18%**

(II) In compliance of Ind As 12 on "Income Taxes", the item wise details of deferred tax liability (net) are as under: (₹ in Lakhs)

Particulars	As at 31-Mar-16	Provided during the Year 2016-17	Provided during the Year in OCI 2016-17	As at 31-Mar-17	Provided during the Year 2017-18	Provided during the Year in OCI 2017-18	As at 31-Mar-18
Deferred tax liability:							
Related to Fixed Assets (Depreciation)	77524.38	(486.27)	-	77038.11	11863.55	-	**88901.66**
Retirement benefits to employees	90.81	(80.52)	-	10.29	(10.29)	-	**-**
Total deferred tax liability (A)	**77615.19**	**(566.79)**	**-**	**77048.40**	**11853.26**	**-**	**88901.66**
Deferred tax assets:							
Carry forward Business Loss / Unabsorbed Depreciation	77615.19	(40778.41)	-	36836.78	(36836.78)	-	**-**
Provision on Inventories, Trade Receivables, Loans and advances, CWIP , Investments etc.	-	2488.73	-	2488.73	33.34	-	**2522.07**
43B Disallowances, Bonus, Gratuity etc.	-	4193.47	300.83	4494.30	1595.79	(329.48)	**5760.61**
MAT Credit Entitlement	-	30803.18	-	30803.18	29195.96	-	**59999.14**
Total deferred tax assets (B)	**77615.19**	**(3293.03)**	**300.83**	**74622.99**	**(6011.68)**	**(329.48)**	**68281.82**
Deferred Tax Liability (Net) (A - B)	**-**	**2726.24**	**(300.83)**	**2425.41**	**17864.94**	**329.48**	**20619.84**

Note – 8 : OTHER ASSETS

(₹ in Lakhs)

Sl. No	Particulars		Non - Current 31-Mar-18	Non - Current 31-Mar-17		Current 31-Mar-18	Current 31-Mar-17
1	**Advance for Capital Expenditure**						
	a) To Related Parties						
	i) Unsecured, Considered Good	1366.53		140.92	-	-	-
	b) To Others						
	i) Unsecured, Considered Good	1531.21		7906.83	-		
			2897.74	8047.75	-	-	
2	**Advances**						
	a) To Others						
	i) Unsecured, Considered Good		-	-		**1388.81**	3769.49
3	**Claims Recoverable :**						
	From Custom, Excise, Sales tax , Income Tax dept & Others						
	i) Unsecured, Considered Good		-	-		**25430.05**	25564.40
4	**GST, Cenvat, VAT, service tax recoverable**		-			**2188.22**	5429.04
5	**Balance with Customs, Port Trust and Excise Authorities:**						
	i) Unsecured, Considered Good			-		**814.97**	573.57
6	**Gold Coins in Hand (at Cost)**	-		-	61.54		62.54
	Less : Provision for Diminution	-		-	4.63		8.52
			-	-		**56.91**	54.02
7	**Deferred Expenses**		**1902.34**	1702.60		**224.52**	295.78
	TOTAL		**4800.08**	9750.35		**30103.48**	35686.30

Note – 9 : INVENTORIES

(₹ in Lakhs)

SL. No.	Particulars		31-Mar-18	31-Mar-17
1	**In Hand :**			
	a. Stores, Spares etc.	25366.51		22534.93
	Less : Provision for Losses	3295.94		2830.77
			22070.57	19704.16
	b. Raw Materials		**149483.11**	124001.56
	c. Finished Products		**144224.08**	99149.79
	d. Stock in Process		**48132.69**	32539.95
			363910.45	275395.46
2	**In Transit :**			
	a. Stores & Spares etc.		**1014.03**	1383.92
	b. Raw Materials		**110986.98**	43926.37
			112001.01	45310.29
	TOTAL		**475911.46**	320705.75
	Impact of Valuation of closing inventories carried at net realisable value recognised in Statement of Profit & loss		**255.04**	4989.17

Note – 10 : TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	Note		31-Mar-18	31-Mar-17
1 Over Six Months:				
a) From Related Parties				
i) Unsecured, Considered Good	(i)	2.74		-
b) From Others				
i) Unsecured, Considered Good		26.59		41.57
Total			**29.33**	41.57
2 Other Debts :				
a) From Related Parties				
i) Unsecured, Considered Good	(i)	131037.00		89429.03
b) From Others				
i) Secured, Considered Good	(ii)	10000.00		7497.96
ii) Unsecured, Considered Good		15882.12		7001.64
			156919.12	103928.63
TOTAL			**156948.45**	103970.20

(i) Includes receivables from Indian Oil Corporation Ltd., the holding company - ₹ 130879.24 Lakhs (2017: ₹ 89104.45 Lakhs) and receivables from Indian Additives Limited., Joint Venture Company - ₹ 160.50 Lakhs (2017: ₹ 393.85 Lakhs).

(ii) Represents dues for which mortgage and first charge on Fixed asset is in favour of the company to the extent of ₹ 10000 Lakhs (2017: ₹ 10000 Lakhs)

Note – 11 : CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
1 Bank Balances with Scheduled Banks :		
a) Current Account	**4.10**	26.25
TOTAL	**4.10**	26.25

Note – 12 : OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	Note	31-Mar-18	31-Mar-17
1 Balances with bank held as other commitments		**536.09**	517.90
2 Earmarked Balances	**A**	**330.22**	1148.83
TOTAL		**866.31**	1666.73

NOTES:

A) Pertains to unpaid dividend. (Refer note 16- Sl.No.7)

Note – 13 : EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Note	31-Mar-18	31-Mar-17
Authorized:			
Equity:			
40,00,00,000 (2017: 40,00,00,000) Equity Shares of ₹ 10 each		**40000.00**	40000.00
Preference:			
100,00,00,000 (2017:100,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each		**100000.00**	100000.00
		140000.00	140000.00
Issued :			
Equity:			
17,00,00,000 (2017: 17,00,00,000) Equity Shares of ₹ 10 each	(i)	**17000.00**	17000.00
Preference:			
100,00,00,000 (2017:100,00,00,000;) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each	(ii)	**100000.00**	100000.00
		117000.00	117000.00
Subscribed, Called-up and Paid-up :			
14,89,11,400 (2017: 14,89,11,400) Equity shares of ₹10 each	(i)	**14891.14**	14891.14
Add: Forfeited Shares (amount originally paid up)		**9.32**	9.32
Total Paid up Equity share Capital		**14900.46**	14900.46
TOTAL		**14900.46**	14900.46

(i) (a) As per the Formation Agreement entered into between the promoters, an offer is to be made to the Naftiran Intertrade Company Limited (NICO), an affiliate of National Iranian Oil Company (NIOC) in any issue of the Capital in proportion to the shares held by them at the time of such issue to enable them to maintain their shareholding at the existing percentage.

(b) Refer Note-40 - Events occuring after Reporting Period(Sl.No.3)

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

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

(b) Refer Note-40 - Events occuring after Reporting Period(Sl.No.2)

Note – 13 : EQUITY SHARE CAPITAL

A. Reconciliation of No. of Shares	31-Mar-18		31-Mar-17	
	Equity Shares	**Preference Shares**	Equity Shares	Preference Shares
Opening Balance	**148911400**	**1000000000**	148911400	1000000000
Shares Issued	-	-	-	-
Shares bought back	-	-	-	-
Closing Balance	**148911400**	**1000000000**	148911400	1000000000

B. Rights, preferences and restrictions attached to Equity shares

Equity Shares: The company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

C. Shares held by Holding Company

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
7,72,65,200 Equity Shares of ₹10 each (51.89%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.	**7726.52**	7726.52

D. Details of shareholders holding more than 5% shares Equity Shares

Name of Shareholder		31 March 2018		31 March 2017	
		Number of shares held	**Percentage of Holding**	Percentage of Holding	Number of shares held
Indian Oil Corporation Limited		**77265200**	**51.89**	77265200	51.89
Naftiran Intertrade Company Limited		**22932900**	**15.40**	22932900	15.40

Note – 14 : OTHER EQUITY

(₹ in Lakhs)

Sl. No	Particulars		31-Mar-18	31-Mar-17
1	**Retained Earnings**			
a)	**General Reserve :**			
	As per last Account	332445.41		333013.51
	Add: Remeasurement of Defined Benefit Plans	625.90		(568.10)
		333071.31		332445.41
b)	**Surplus (Balance in Statement of Profit and Loss):**			
	Balance Brought Forward from Last Year's Account	(88239.54)		(161032.35)
	Add: Profit for the Year	92722.12		105082.34
	Less: APPROPRIATIONS:			
	Final Dividend	31271.39		5956.46
	Bond Redemption Account	5000.00		5000.00
	Capital Redemption Account	20000.00		20000.00
	Dividend Distribution Tax on Final Dividend	6486.58		1333.06
	Balance carried forward to next year's account	**(58275.39)**		(88239.54)
			274795.92	244205.87
2	**Other Reserves**			
a)	**Bond Redemption Reserve Account :**			
	As per last Account	20000.00		15000.00
	Add: Transferred from Profit and Loss Account	5000.00		5000.00
			25000.00	20000.00
b)	**Capital Redemption Reserve :**			
	As per last Account	40000.00		20000.00
	Add: Transferred from Profit and Loss Account	20000.00		20000.00
			60000.00	40000.00
c)	**Securities Premium Account :**			
	As per last Account		**25003.82**	25003.82
	TOTAL		**384799.74**	329209.69

Note – 15 : LONG-TERM BORROWINGS

(₹ in Lakhs)

Sl. No	Particulars	Note	Non - Current			Current Maturities		
				31-Mar-18	31-Mar-17		**31-Mar-18**	31-Mar-17
I.	**SECURED LOANS**							
1	**Bonds:** 10000 Nos. of 9.65% Secured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - II	A			100000.00	-	**100000.00**	-
	Total Secured Loans			**-**	100000.00		**100000.00**	-
II.	**UNSECURED LOANS**							
1	**Term Loans:** i) From Banks/Financial Institutions: In Foreign Currency US $ 50 Million (2017: US $ 50 Million)	C	32590.00		32427.50	-		-
	Total (Term Loans)			**32590.00**	32427.50		**-**	-
2	**Loans from related parties:** 100,00,00,000 (2017:100,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each	B		**50000.00**	100000.00		**50000.00**	-
3	**Current maturity of finance lease obligations from related parties**	D		**-**	-		**-**	334.25
	Total Unsecured Loans			**82590.00**	132427.50		**50000.00**	334.25
	TOTAL LONG-TERM BORROWINGS			**82590.00**	232427.50		**150000.00**	334.25

Note – 15 : LONG-TERM BORROWINGS

Sl. No	Particulars	Allotment Date	Coupon Rate	Effective interest rate	Date of Redemption	Security Details
A	Secured Redeemable Non Convertible Debentures (Series-II)	10.01.2014	9.65%	9.65%	Principal repayable at the end of 5 years from 10.01.2014 being date of allotment. Interest payable annually on 10th Jan at the rate of 9.65% p.a.	First Charge on specific Plant & Machinery along with the underlying land together with all the building and structures standing on the said land to the extent of ₹ 100000 Lakhs.

Unsecured Loans:

B. Non Convertible Cumulative Redeemable Preference Shares

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

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

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

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

(b) Such shares shall rank for capital and dividend (including all dividend undeclared upto the commencement of winding up) and for repayment of capital in a winding up, pari passu inter se and in priority to the Ordinary Shares of the Company, but shall not confer any further or other right to participate either in profits or assets.

(c) The holders of such shares shall have the right to receive all notices of general meetings of the Company and have a right to vote only on resolution placed before the share holders which directly affect their rights attached to preference shares like winding up of company or repayment of preference shares etc.

(d) The tenure of the NCCRP Shares would be 10 years, with put and call option. Either the preference shareholder shall have right to exercise Put option or the issuer shall have right to exercise Call option to redeem the preference shares, in whole or in part after the 5 years of the preference issue date. However, it is also agreed that Put & Call option before the 5 year period can be exercised by mutual consent of both the parties by giving 30 days notice.

(e) Dividend rate shall be equivalent to the Post tax yield of AAA rated corporate bond i.e. prevailing (at the time of issue) 10 year G-Sec yield plus spread on AAA rated corporate bond i.e., 6.65% p.a (reckoned for the FY 2015-16). The coupon rate on preference share would be adjusted to reflect the subsequent changes in tax laws with the consent and approval of preference share holders by way of special resolution. Currently, the Effective interest rate inclusive of dividend distribution tax is 8.00%

(ii) Refer Note-40 - Events occuring after Reporting Period(Sl.No.2)

(iii) Preference Shares held by Holding Company

(₹ in Lakhs)

	31-Mar-18	31-Mar-17
1,00,00,00,000 Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10/- each (100%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.	100000	100000

(iv) Details of Preference shareholders holdings more than 5% shares

Name of Preference Shareholder	31-Mar-18		31-Mar-17	
	Number of Preference shares held	Percentage of Holding	Number of Preference shares held	Percentage of Holding
Indian Oil Corporation Limited	1000000000	100	1000000000	100

(v) Pending the approval of shareholders, preference dividend has been provisionally accrued as finance cost. However, as per the Companies Act 2013, the preference shares is treated as part of share capital and the provisions of the Act relating to declaration of Preference Dividend at the end of the year would be applicable.

C. Foreign Currency Loan

Loan Repayment Schedule for Foreign Currency Loan (Unsecured)-Term Loans

Sl. No	Particulars	Date of Redemption	Repayable Amount	Interest Rate
1	Term Loan from SBI	18.09.2019	US $ 50 Million	3 months LIBOR + 125 bps (Interest reset on quarterly basis) - Interest payable on Monthly basis

D. Finance Lease Obligation

The Finance Lease obligation is against assets acquired under Finance Lease from IOT Infrastructure and Energy Services Limited. The contract period expired during the year. The carrying value of the same is ₹ NIL Lakhs (2017: ₹ 1646.96 Lakhs). Refer Note - 2 & 33(B).

Note – 16 : OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Sl. No	Particulars	Note	Non - Current		Current	
			31-Mar-18	31-Mar-17	**31-Mar-18**	31-Mar-17
1	Current maturities of Long term debt/finance lease obligations (Refer Note -15)		-	-	**150000.00**	334.25
2	Interest accrued but not due on loans (including Preference Shares)	**A**	-	-	**10232.76**	10210.49
3	Liability for Capital Expenditure	**B**	-	-	**25246.77**	18449.32
4	Liability to Trusts and Other Funds		-	-	**860.33**	543.31
5	Employee Liabilities for Expenses		-	-	**14819.85**	7990.49
6	Security Deposits		-	-	**4226.93**	3722.54
7	Liability for Dividend	**C**	-	-	**330.22**	1148.83
8	Other Financial Liabilities		-	-	**82.60**	79.14
	TOTAL		-	-	**205799.46**	42478.37

A Pending the approval of shareholders, preference dividend has been provisionally accrued as finance cost. However, as per the Companies Act 2013, the preference shares is treated as part of share capital and the provisions of the Act relating to declaration of Preference Dividend at the end of the year would be applicable.

B Includes dues Payable to IOT Infrastructure and Energy Limited ₹ 531.68 Lakhs (2017 :Nil Lakhs)

C There are no amounts due for payment to the Investor Education and Protection Fund as at the year end. Further, there are no amounts due to Naftiran Inter trade company Limited (NICO) towards unpaid dividend (Previous year: ₹ 917.32 Lakhs could not be remitted due to restrictions in banking channels arising out of sanctions imposed by US / European Union against Iran)

Note – 17 : PROVISIONS

(₹ in Lakhs)

Sl. No	Particulars	Note	Non - Current 31-Mar-18	Non - Current 31-Mar-17	Current 31-Mar-18	Current 31-Mar-17
1	Provision for Employee Benefits		**23262.11**	13314.97	**7672.36**	12553.06
2	Contingencies for probable obligations		-	-	8614.36	1105.61
	Less: Deposits		-	-	7508.75	-
	Contingencies for probable obligations	A	-	-	**1105.61**	1105.61
	TOTAL		**23262.11**	13314.97	**8777.97**	13658.67

A In compliance of Ind AS – 37 on "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under :

	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year	Closing Balance
Sales Tax	1105.61		-	-	1105.61
Income Tax	-	7508.75	-	-	7508.75
TOTAL	**1105.61**	**7508.75**	-	-	**8614.36**
Previous Year	-	1105.61	-	-	1105.61

Note – 18 : OTHER LIABILITIES

(₹ in Lakhs)

Sl. No	Particulars	Note	Non - Current 31-Mar-18	Non - Current 31-Mar-17	Current 31-Mar-18	Current 31-Mar-17
1	Revenue Grants - EPCG				-	-
	Liability towards Government Grants	A	**605.03**	4037.61		
2	Statutory Liabilities		-	-	**37146.72**	24201.57
3	Advances from Customers		-	-	**1434.60**	1264.11
	TOTAL		**605.03**	4037.61	**38581.32**	25465.68

A Grant recognised in respect of duty waiver on procurement of capital goods under EPCG scheme of Central Government which allows procurement of capital goods including spares for pre production at zero duty subject to export obligations of 6 times of the duty saved on capital goods procured. The company recognised ₹ 3387.66 Lakhs (2017: ₹ 222.76 Lakhs) in the statement of profit & loss account as amortisation of revenue grant. The company expects to meet the export obligations and therefore equivalent deferred grant has not been treated as liability.

Note – 19 : SHORT-TERM BORROWINGS

(₹ in Lakhs)

Sl. No	Particulars	Note		31-Mar-18	31-Mar-17
I.	**SECURED LOANS**				
1	**Loans Repayable on Demand**				
	From Banks:				
	a) In Rupees	**A**			
	i) Cash Credit - SBI		206299.51		444.32
	Sub-Total			**206299.51**	444.32
II.	**UNSECURED LOANS**				
1	**Loans Repayable on Demand**				
	i) From Banks/Financial Institutions:				
	In Rupees				
	i) Working Capital Demand Loan		-		4400.00
	Sub-Total			-	4400.00
	ii) From Others				
	Commercial Paper		-		312500.00
	Total			-	316900.00
	Total Unsecured Loans			-	316900.00
	TOTAL BORROWINGS - CURRENT			**206299.51**	317344.32

Notes:

A Secured against hypothecation of Trade receivables & Inventories to the extent of ₹ 418400 Lakhs with State Bank of India. (2017: ₹ 418400 Lakhs)

At 31st March 2018 the Company had available ₹ 210426.49 Lakhs (2017: ₹ 416796.72 Lakhs) of undrawn Credit facilities.

Note – 20 : TRADE PAYABLES

(₹ in Lakhs)

Particulars	Note	31-Mar-18	31-Mar-17
Sundry Creditors:			
Dues to Micro and Small Enterprises	A	**12.08**	8.81
Dues to Related Parties	B	**402633.82**	114989.83
Dues to Others		**41718.56**	50217.33
TOTAL		**444364.46**	**165215.97**

A With regard to disclosure requirements under the provisions of section 22 of Micro, Small and Medium Enterprises Development Act, 2006, the company has carried out the same based on the confirmation received from its suppliers. No interest amount remains unpaid to such Micro and Small enterprises as on 31st March 2018 and no payments were made to such enterprises beyond the "appointed day" during the year. Also, the company has not paid any interest in terms of section 16 of the above mentioned act or otherwise.

B Represents dues to Indian Oil Corporation Ltd., the holding company ₹ 402282.36 Lakhs (2017: ₹ 114882.02 Lakhs) and IOT Infrastructure and Energy Services Limited ₹ 351.46 Lakhs (2017: ₹ 107.81 Lakhs)

Note – 21 : REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Note		31-Mar-18	31-Mar-17
Sales (Net of Discounts)	A	4413550.01		4058576.75
Other Operating Revenues (Note "21.1")		5367.75		2161.51
			4418917.76	4060738.26
TOTAL			**4418917.76**	4060738.26

A (i) Goods and Services Tax (GST) has been implemented w.e.f.01.07.2017 wherein some of the petroleum products have come under its ambit. Accordingly, GST is being levied on these products as against Excise Duty applicable hitherto. Since Excise duty is included in revenue and GST is not included in revenue, the comparable turnover after netting off Excise duty on products on which GST has now been levied, for periods before 01.07.2017, is tabulated below :

Particulars	31-Mar-18	31-Mar-17
Revenue (gross)	4413550.01	4058576.75
Less: Excise Duty	17384.84	63694.76
Net comparable revenue	**4396165.17**	3994881.99

(ii) Sale to certain customers, which involves return of material upon extraction of relevant products are being invoiced for the gross supply quantity by the company and quantity returned is being invoiced by the customer on the company upon GST implementation. Accordingly, the quantity supplied to the extent received by the company after extraction is included in both Revenue from operations and purchase of stock in trade to the extent of ₹ 20929.30 Lakhs in line with the invoicing pattern under GST.

Note – 21.1 : OTHER OPERATING REVENUES

(₹ in Lakhs)

Sl. No.	Particulars	31-Mar-18	31-Mar-17
1	Sale of Power	**176.35**	151.06
2	Unclaimed / Unspent liabilities written back	**232.76**	415.19
3	Recoveries from Employees	**264.01**	384.80
4	Sale of Scrap	**1306.97**	987.70
5	Amortisation of Government Grants	**3387.66**	222.76
	TOTAL	**5367.75**	2161.51

Note – 22 : OTHER INCOME

(₹ in Lakhs)

Sl. No.	Particulars	Note		31-Mar-18	31-Mar-17
1	**Interest on :**				
	Financial Item:				
	a) Loans and Advances		965.85		804.72
	b) Short Term Deposits with Banks		30.71		36.42
	c) Customers Outstanding		202.18		287.89
	d) Others		352.84		443.77
				1551.58	1572.80
	Non Financial Item:	**A**		**400.88**	-
2	Exchange Fluctuations (Net)			**-**	972.10
3	Other Non Operating Income			**1331.39**	868.37
	TOTAL			**3283.85**	3413.27

A Represents interest on Income tax refund received under the Income Tax Act, 1961

Total interest income (calculated using the effective interest method) for financial assets that are not at fair value through profit or loss:

(₹ in Lakhs)

	31-Mar-18	31-Mar-17
In relation to financial assets classified at amortised cost	**1551.58**	1572.80

Note – 23 : COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Raw Material Consumed :		
Opening Balance	**167927.93**	154535.28
Add :		
Purchases	**3023886.97**	2438971.03
Sub Total	**3191814.90**	2593506.31
Less: Closing Stock	**260470.09**	167927.93
TOTAL (Net)	**2931344.81**	2425578.38

Note – 24 : CHANGES IN INVENTORY

(₹ in Lakhs)

Particulars		31-Mar-18	31-Mar-17
Closing Stock			
a) Finished Products	144224.08		99149.79
b) Stock in Process	48132.69		32539.95
		192356.77	131689.74
Less:			
Opening Stock			
a) Finished Products	99149.79		114570.71
b) Stock in Process	32539.95		27673.08
		131689.74	142243.79
NET INCREASE/(DECREASE)		**60667.03**	(10554.05)

Note – 25 : EMPLOYEE BENEFIT EXPENSE

(₹ in Lakhs)

Particulars		31-Mar-18	31-Mar-17
Employee Benefit Expense:			
(a) Salaries, Wages, Bonus etc	38734.18		34121.60
(b) Contribution to Provident & Other Funds	15361.11		12065.41
(c) Staff Welfare Expenses	4080.38		5101.35
TOTAL (Net)		**58175.67**	51288.36

A Disclosure in compliance with Ind AS - 19 on "Employee Benefits" is given in Note - 32

B Above excludes ₹ 1804.35 Lakhs (2017: ₹ 1311.05 Lakhs) included in capital work in progress (Note - 2.1)

Note – 26 : FINANCE COSTS

(₹ in Lakhs)

Sl. No.	Particulars	Note		31-Mar-18	31-Mar-17
1	**Interest Payments on Financial items:**	(i)			
	I. Working Capital Loans				
	Short term Borrowings		16967.08		16599.60
	Other Loans				
	Debentures/Foriegn Currency Term Loan	B	2765.90		
				19732.98	16599.60
	II. Unwinding of Finance cost			**29.55**	56.99
	III. Interest expense for Preference Shares (including Dividend Distribution Tax) treated as financial liabilities	A		**8003.78**	8003.78
2	**Interest Payments on Non Financial items**	C		**3017.14**	578.28
3	**Other Borrowing Cost**			**50.70**	34.99
4	**Exchange differences regarded as adjustment to borrowing cost**			**1251.48**	2004.57
	TOTAL	B		**32085.63**	27278.21

A	Refer Note 16 A		
B	Net of interest capitalised as part of CWIP	**7745.35**	10046.42
C	Includes mainly interest under Income Tax Act, 1961		

(i) Total interest expense (calculated using the effective interest method) for financial liabilities that are not measured at fair value through profit or loss:

(₹ in Lakhs)

	31-Mar-18	31-Mar-17
In relation to financial liabilities measured at amortised cost	**27766.31**	24660.37

Note – 27 : OTHER EXPENSES

(₹ in Lakhs)

Sl. No	Particulars		31-Mar-18	31-Mar-17
1	Consumption:			
	a) Stores, Spares and Consumables	8293.83		6298.39
	b) Packages & Drum Sheets	99.54		102.23
			8393.37	6400.62
2	Power & Fuel	266572.98		201973.09
	Less : Fuel from own production	261126.32		196966.25
			5446.66	5006.84
3	Irrecoverable taxes - Central Sales Tax		**15799.67**	16903.83
4	Repairs and Maintenance			
	i) Plant & Machinery	15327.52		16090.13
	ii) Buildings	292.39		364.72
	iii) Others	4934.35		3923.23
			20554.26	20378.08
5	Freight, Transportation Charges and Demurrage		**7287.65**	6401.22
6	Office Administration, Selling and Other Expenses (Note "27.1")		**20122.97**	17199.06
	TOTAL		**77604.58**	72289.65
	Less: Company's use of own Products		**2275.03**	282.69
	TOTAL (Net)		**75329.55**	72006.96

Note – 27.1 : OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES

(₹ in Lakhs)

Sl. No	Particulars	Note		31-Mar-18	31-Mar-17
1	Rent			**1739.10**	2063.92
2	Insurance			**1277.83**	1512.34
3	Rates & Taxes			**180.36**	179.89
4	Payment to auditors :				
	a) For Statutory Audit		18.16		16.03
	b) For Limited Review		10.05		8.08
	c) For Taxation Matters		5.61		5.04
	d) Other Services (for issuing other certificates etc.)		1.46		1.40
				35.28	30.55
5	Travelling & Conveyance			**2147.69**	2243.48
6	Communication Expenses			**261.74**	190.21
7	Printing & Stationery			**141.78**	107.51
8	Electricity & Water			**83.25**	78.03
9	Bank Charges			**99.15**	106.55
10	Provision / Loss on Assets sold or written off (Net)			**205.99**	351.13
11	Technical Assistance Fees			**807.93**	665.39
12	Exchange Fluctuation (Net)			**4730.62**	-
13	Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores			**532.82**	1541.30
14	Security Force Expenses			**3111.91**	2487.86
15	Terminalling Charges			**2133.81**	2136.63
16	Provision for Probable Contingencies			**-**	1105.61
17	Expenses on CSR Activities	39		**918.18**	187.51
18	Miscellaneous Expenses	**A**		**1715.53**	2211.15
	TOTAL			**20122.97**	17199.06

A Miscellaneous Expenses Includes:

i) Expenditure on Public Relations and Publicity amounting to ₹ 261.36 Lakhs (2017 : ₹ 372.60 Lakhs). The ratio of annual expenditure on Public Relations and Publicity to the annual turnover (inclusive of excise duty) is 0.00006:1 (2017: 0.00009:1)

ii) Entertainment Expenses ₹ 27.77 Lakhs (2017: ₹ 29.43 Lakhs)

Note – 28 : OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

Sl. No	Particulars		31-Mar-18	31-Mar-17
A.	**Items that will not be reclassified to profit or loss:**			
1	Remeasurement of Defined Benefit Plans	942.87		(869.24)
2	Share of Joint Ventures and Associates in Remeasurement of Defined Benefit Plans	19.13		0.48
			962.00	(868.76)
B.	**Income Tax relating to items that will not be reclassified to profit or loss:**			
1	Remeasurement of Defined Benefit Plans	(329.48)		300.83
2	Share of Joint Ventures and Associates in Remeasurement of Defined Benefit Plans	(6.62)		(0.17)
			(336.10)	300.66
	TOTAL		**625.90**	(568.10)

Note – 29 : DISTRIBUTIONS MADE AND PROPOSED

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Cash dividends on Equity shares declared and paid:		
Final dividend for FY 16-17 declared and paid during the year ended 31st March2018: ₹ 21 per share; (for FY 15-16 declared and paid during the year ended 31st March 2017: ₹ 4 Per Share)	31271.39	5956.46
DDT on dividend paid	6366.12	1212.60
	37637.51	7169.06
Proposed dividends on Equity shares:		
Final dividend for year ended 31st March 2018: ₹ 18.50 per share (31st March 2017: ₹ 21 per share)	27548.61	31271.39
DDT on proposed dividend	5608.25	6366.12
	33156.86	37637.51

Proposed dividend on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability (including DDT thereon) as at 31st March 2018

Refer Note 16 A for Preference dividend

Note – 30 : EARNINGS PER SHARE (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31-Mar-18	31-Mar-17
Profit attributable to equity holders (₹ in lakhs)	**92722.12**	105082.34
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	**148911400**	148911400
Earning Per Share (Basic and Diluted) (₹)	**62.27**	70.57
Face value per share (₹)	**10.00**	10.00

Note – 31 : DISCLOSURE OF INTEREST IN JOINT VENTURES AND ASSOCIATES

(₹ in Lakhs)

Name of entity	Place of business	% of ownership	Relationship	Accounting method	Carrying Amount
Indian Additives Limited	India	50%	Joint Venture	Equity Accounting	15244.10
National Aromatics and Petrochemical Corporation Limited	India	50%	Joint Venture	Equity Accounting	Nil

Summarised balance sheet of the Indian Additives Limited: (₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Current assets	27840.40	27805.32
Current liabilities	8364.88	6056.50
Non-current assets	14155.27	9535.07
Non-current liabilities	3142.60	3304.83
Net assets	**30488.19**	27979.06
Proportion of the company's ownership on the above	50%	50%
Carrying amount of the investment	15244.10	13989.53
The above amounts of assets and liabilities include the followings		
Cash and cash equivalents	372.44	1109.54
Current financial liabilities (excluding trade and other payables and provisions)	624.32	351.26
Non-current financial liabilities (excluding trade and other payables and provisions)	-	-

Summarised statement of profit and loss of the Indian Additives Limited: (₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Revenue From Operations	63945.71	64344.61
Other Income	1340.22	1201.78
Cost of Material Consumed	43281.16	37267.18
Purchases of Stock in trade	5075.34	3695.81
Changes in inventories of finished goods, stock-in-trade and work in progress	11.56	(60.63)
Excise duty on sale of goods	1636.74	7118.04
Employee Benefits Expense	2447.54	2213.06
Finance Costs	13.95	54.49
Depreciation and amortization expense		
a) Tangible Assets	684.61	639.46
b) Intangible Assets	37.96	72.82
Other Expenses	6118.90	5513.17
Profit before exceptional items and tax	**5978.17**	**9032.99**
Exceptional Items	-	-
Profit/(loss) before tax	**5978.17**	**9032.99**
Tax expense:		
Current Tax	2030.00	3444.99
Deferred Tax	39.76	61.25
Profit (Loss) for the period	**3908.41**	**5526.75**
Other Comprehensive Income	25.03	0.62
Total comprehensive income	**3933.44**	**5527.37**
Dividend received	591.70	591.70

Commitments and contingent liabilities in respect of Joint Venture (₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Commitments – Joint Venture		
Property, Plant and Equipments	266.15	3118.63
Civil Work relating to Project	178.27	1184.56
Contingent liabilities – Joint Venture		
Income Tax Matters	457.39	597.84
Excise Duty Matters	1.37	90.79
Sales Tax Matters	34.33	16.70
Service Tax Matters	129.90	142.40
Customs duty matters	36.53	-

Individually immaterial Joint Ventures:

Particulars	Note	31-Mar-18	31-Mar-17
Aggregate carrying amount of individually immaterial Joint Venture			
i) National Aromatics and Petrochemical Corporation Limited	A	-	-
Aggregate amounts of the group's share of:			
Profit/(loss) from continuing operations		NA	NA
Other comprehensive income		NA	NA
Total comprehensive income		NA	NA
Share of profits from Joint Venture		NA	NA

A. The Investment in JV have been fully provided for diminution in value of investments. The JV is not Operational. The company has decided to exit from the JV and the process in this regard is already initiated.

NA - Not Applicable

Note – 32 EMPLOYEE BENEFITS

Disclosures in compliance with Ind AS 19 on "Employee Benefits" is as under:

A. Defined Contribution Plans- General Description

Pension Scheme:

During the year, the company has recognised ₹ 2214.54 Lakhs (2017: ₹ 2286.41 Lakhs) towards Defined Contributory Employees Pension Scheme in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident & Other Funds in Note - 25/ Construction period expenses in Note-2.1)

During the year, the company has recognised ₹ 234.04 Lakhs (2017: ₹ 227.88 Lakhs) as contribution to EPS-95 in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident and Other Funds in Note - 25/ Construction period expenses in Note-2.1)

B. Defined Benefit Plans- General Description

1 Provident Fund:

The Company's contribution to the Provident Fund is remitted to separate provident fund trust established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company. The Provident Funds maintained by the PF Trust in respect of which actuarial valuation is carried out does not have any deficit as on 31st March 2018.

2 Gratuity:

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the eligible salary for every completed year of service subject to a maximum of ₹ 20 Lakhs at the time of separation from the company.

3 Post Retirement Medical Scheme (PRMS):

PRMS provides medical benefit to retired employees and eligible dependant family members.

4 Workman Compensation:

The company pays an equivalent amount of 100 months salary to the family member of employee, if employee dies due to accidental death while he is on duty. This scheme is not funded by the company. The liability originates out of the workman compensation Act and Factory Act

C. Other Long-Term Employee Benefits - General Description

1 Leave Encashment:

Each employee is entitled to get 8 earned leaves for each completed quarter of service. Encashment of earned leaves is allowed during service leaving a minimum balance of 15 days subject to maximum accumulation up to 300 days. In addition, each employee is entitled to get 5 sick leaves at the end of every six months. The entire accumulation of sick leaves is permitted for encashment only at the time of retirement.

2 Long Service Award:

On completion of specified period of service with the company and also at the time of retirement, employees are rewarded with Prepaid Card as per eligibility, based on the duration of service completed.

D.The summarised position of various defined benefits / Long Term Employee Benefits recognised in the Statement of Profit & Loss, Balance Sheet are as under :

(Figures presented in Italic Font in the table are for previous year)

(i) Reconciliation of balance of Defined Benefit / Long Term Employee Benefit Obligations

(₹ in Lakhs)

Particulars	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Defined Obligation at the beginning	**41,776.98** *37,257.61*	**7,997.52** *7,515.11*	**5,966.40** *5,036.99*
Current Service Cost	**1,991.64** *1,706.50*	**88.94** *66.50*	**331.60** *97.28*
Interest Cost	**3,658.05** *3,261.32*	**580.62** *600.46*	**444.50** *397.92*
Past Service Cost	- -	**6,622.82** -	**10,376.73** -
Benefits paid	**(3,429.83)** *(3,147.65)*	**(584.64)** *(413.33)*	**(348.76)** *(246.22)*
Employee Contribution	**3,077.71** *2,676.27*	**-** -	**-** -
Transferred from other company	**49.32** *22.92*	**-** -	**-** -
Actuarial (gain)/ loss on obligations	**-** -	**(558.32)** *228.78*	**(339.89)** *680.43*
Defined Benefit Obligation at the end of the year	**47,123.88** *41,776.98*	**14,146.95** *7,997.52*	**16,430.57** *5,966.40*

(ii) Reconciliation of balance of Fair Value of Plan Assets

(₹ in Lakhs)

Particulars	Provident Fund	Gratuity
	Funded	Funded
Fair Value of Plan Assets at the beginning of the year	**42,786.20** *37,958.29*	**8,027.30** *7,777.52*
Expected return on plan assets	**3,658.05** *3,261.32*	**44.66** *39.97*
Contribution by employer	**5,069.35** *4,382.77*	
Contribution by employees	**-** -	**-** -
Benefit paid	**(3,429.83)** *(3,147.65)*	**(469.31)** *(411.61)*
Transferred from other company	**49.32** *22.92*	**-** -
Interest Income	**-** -	**582.78** *621.42*
Actuarial gain / (losses)	**48.17** *308.54*	**-** -
Fair value of plan assets at the end of the year	**48,181.26** *42,786.20*	**8,185.43** *8,027.30*

(iii) Reconciliation of Fair Value of Plan Assets and Defined Benefit Obligation

(₹ in Lakhs)

Particulars	Provident Fund	Gratuity
	Funded	Funded
Fair Value of Plan Assets at the end of the year	**48,181.26**	**8,185.43**
	42,786.20	*8,027.30*
Defined Benefit Obligation at the end of the year	**47,123.88**	**14,146.95**
	41,776.98	*7,997.52*
Amount recognised in the Balance Sheet (As per para 64 of Ind AS-19)	**-**	**5,961.52**
	-	*(29.78)*
Amount not recognised in the Balance Sheet	**(1,057.38)**	**-**
	(1,009.22)	-

(iv) Amount recognised in Statement of Profit and Loss / CWIP

(₹ in Lakhs)

Particulars	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Current Service Cost	**1,991.64**	**88.94**	**331.60**
	1,706.50	*66.50*	*97.28*
Interest Cost	**3,658.05**	**580.62**	**444.50**
	3,261.32	*600.46*	*397.92*
Expected (return) / loss on plan asset	**(3,658.05)**	**(582.78)**	**-**
	(3,261.32)	*(621.42)*	-
Contribution by Employees	**-**	**-**	**-**
	-	-	-
Past Service Cost	**-**	**6,622.82**	**10,376.73**
	-	-	-
Expenses for the year	**1,991.64**	**6,709.60**	**11,152.82**
	1,706.50	45.54	495.20

Gratuity expenditure for the year is reckoned net of of ₹ 6663.05 Lakhs provided in the previous year towards estimated increase in Gratuity ceiling

(v) Amount recognised in Other Comprehensive Income (OCI)

(₹ in Lakhs)

Particulars	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Actuarial (gain)/ loss on Obligations	-	**(558.32)**	**(339.89)**
	-	*228.78*	*680.43*
Remeasurement (Return on Plan Assets excl interest income)	**48.17**	**(44.66)**	-
	308.54	*(39.97)*	**-**
Net Loss / (Gain) recognized in OCI	**-**	**(602.98)**	**(339.89)**
	-	*188.81*	*680.43*
Net Loss / (Gain) not recognized in P&L / OCI	**(48.17)**	**-**	**-**
	(308.54)	-	-

(vi) Major Actuarial Assumptions

(₹ in Lakhs)

Particulars	Provident Fund	Gratuity	PRMS
	Funded	Funded	Non-funded
Discount rate	**7.88%**	**7.88%**	**7.76%**
	7.26%	*7.26%*	*7.45%*
Expected return on plan assets	**8.65%**	**-**	**-**
	8.65%	*-*	*-*
Salary escalation	**-**	**8.00%**	**-**
	-	*8.00%*	*-*
Inflation	**-**	**-**	**7.00%**
	-	*-*	*7.00%*

The estimate of future salary increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management and historical results of the return on plan assets.

(vii) Sensitivity on Actuarial Assumptions:

(₹ in Lakhs)

Loss / (Gain) for:	Gratuity	PRMS
	Funded	Non-funded
Change in Discounting Rate		
Increase by 1%	**(375.91)**	
	(237.65)	
Decrease by 1%	**398.05**	
	252.55	
Change in Discounting Rate		
Increase by 0.5%	**-**	**(1,233.72)**
	-	*(467.43)*
Decrease by 0.5%	**-**	**1,399.26**
	-	*532.00*
Change in Employee Turnover		
Increase by 0.5%	**-**	**53.22**
	-	*15.68*
Decrease by 0.5%	**-**	**(56.67)**
	-	*(16.64)*
Change in Employee Turnover		
Increase by 1%	**119.94**	
	103.90	
Decrease by 1%	**(125.35)**	
	(108.84)	
Change in Salary Escalation		
Increase by 1%	**87.27**	**-**
	25.89	*-*
Decrease by 1%	**(91.09)**	**-**
	(27.55)	*-*
Change in Inflation Rate		
Increase by 0.5%	**-**	**1,412.50**
	-	*535.65*
Decrease by 0.5%	**-**	**(1,255.41)**
	-	*(474.57)*

(viii) Investment details:

Particulars	Provident Fund	Gratuity
	Funded	Funded
Investment with Insurer	**-**	**100.00%**
	-	*100.00%*
Self managed investments	**100.00%**	**-**
	100.00%	*-*

Details of the investment pattern for the above mentioned funded obligations is as under.

Particulars	Provident Fund	Gratuity
	Funded	Funded
Government securities (Central & State)	**44.22%**	**43.86%**
	36.04%	*48.19%*
Investment in Equity / Mutual Funds	**5.28%**	**4.75%**
	2.74%	*8.05%*
Investment in Debentures / Securities	**44.09%**	**47.17%**
	56.08%	*38.93%*
Other approved investments (incl. Cash)	**6.41%**	**4.22%**
	5.14%	*4.83%*

(ix) The following payments are expected projections to the defined benefit plan in future years:

(₹ in Lakhs)

Cash Flow Projection from the Fund/Employer	Gratuity	PRMS	Total
	Funded	Non-Funded	
Within next 12 Months	**1800.15**	**418.97**	**2,219.11**
	792.20	*136.74*	*928.94*
Between 2 to 5 Years	**6845.35**	**2,320.30**	**9,165.65**
	3445.12	*749.45*	*4,194.57*
Between 6 to 10 Years	**6658.05**	**4,711.89**	**11,369.94**
	3,986.94	*1,589.97*	*5,576.91*

Particulars	Gratuity	PRMS
	Funded	Non-Funded
Weighted Average Duration of Defined Benefit Obligation	**12 Years** *12 Years*	**16 Years** *16 Years*

Note – 33 : COMMITMENTS AND CONTINGENCIES

A. Leases

Operating lease — as lessee

The company has taken certain assets (including office/residential premises/Land) on Operating Lease which are cancellable by giving appropriate notice as per the respective agreements. During the year ₹ 1739.10 Lakhs (2017: ₹ 2063.92 Lakhs) had been paid towards cancellable Operating Lease.

B Disclosure under Finance Lease as Lessee:

The company has entered into BOOT arrangement with IOT Infrastructure & Energy Services Limited in respect of LPG Bottling facilities for a period of 10 years. During the year, on completion of the contracted period of 10 years, the Lessor has transferred ownership of the assets to the company at Nil Value.

I Buildings taken on finance lease as lessee:

(₹ in Lakhs)

	31-Mar-18	31-Mar-17
(i) Minimum lease payments		
- Within one year	-	160.75
- After one year but not more than five years	-	-
- More than five years	-	-
Total	-	160.75
(ii) Present value of minimum lease payments		
- Within one year	-	147.69
- After one year but not more than five years	-	-
- More than five years	-	-
Total	-	147.69
Add: Future finance charges	-	13.06
Total	-	160.75

(₹ in Lakhs)

II Plant & Equipments taken on finance lease as lessee:	31-Mar-18	31-Mar-17
(i) Minimum lease payments		
- Within one year	-	203.05
- After one year but not more than five years	-	-
- More than five years	-	-
Total	-	203.05
(ii) Present value of minimum lease payments		
- Within one year	-	186.56
- After one year but not more than five years	-	-
- More than five years	-	-
Total	-	186.56
Add: Future finance charges	-	16.49
Total	-	203.05

The Net Carrying amount of the assets acquired under Finance Lease included in Note – 2.

Buildings and Plant & Equipment	-	1646.96
Total	-	1646.96

C Contingent Liabilities

Contingent Liabilities amounting to ₹ 69142.11 Lakhs (2017: ₹ 65184.02 Lakhs) are as under:

(i) ₹ 2520.31 Lakhs (2017: ₹ 539.66 Lakhs) being the demands raised by the Central Excise /Customs/ Service Tax Authorities including interest of ₹ 807.62 Lakhs (2017: ₹ 189.74 Lakhs).

(ii) ₹ 52998.44 Lakhs (2017: ₹ 50592.22 Lakhs) being the demands raised by the VAT/ Sales Tax Authorities and includes no interest (2017: Nil).

(iii) ₹ 9815.98 Lakhs (2017: ₹ 10002.51 Lakhs) in respect of Income Tax demands including interest of ₹ 4802.51 Lakhs (2017: ₹ 2582.58 Lakhs).

(iv) ₹ 3807.38 Lakhs (2017: ₹ 4049.63 Lakhs) including ₹ 239.68 Lakhs (2017: ₹ 2241.64 Lakhs) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹ 867.83 Lakhs (2017: ₹ 827.75 Lakhs).

The Company has not considered those disputed demands/claims as contingent liabilities, for which, the outflow of resources has been considered as remote.

D Commitments

(i) **Capital Commitments**

Estimated amount of contracts remaining to be executed on Capital Account not provided for ₹ 115254.48 Lakhs (2017: ₹ 82208.01 Lakhs).

(ii) **Other Commitments**

The Company has an export obligation to the extent of ₹10145.90 Lakhs (2017: ₹59057.65 Lakhs) on account of concessional rate of customs duty availed under EPCG license scheme on import of capital goods.

Note - 34 "Related Party Disclosures" in compliance with Ind-AS 24, are given below:

1. Relationship with Entities

A. Details of Holding Company

1) Indian Oil Corporation Limited (IOCL)

The following transactions were carried out with Holding Company in the ordinary course of business: **(₹ in Lakhs)**

Particulars	31-Mar-2018	31-Mar-2017
• Sale of Product and Services	**3987040.30**	3682449.28
• Dividend on Preference Shares	**6650.00**	6650.00
• Dividend paid on Equity Shares	**16226.72**	3090.81
• Sale of Scrap / Catalyst	**15.36**	21.30
• Sale of Canteen Coupons	**4.00**	4.14
• EDP Maintenance	**253.01**	253.53
• Other Non operating Income	**320.25**	80.87
• Purchase of Raw Material	**31691.66**	49668.26
• Purchase of Stock-in-Trade	**19132.87**	15957.40
• Purchase of Stores & Spares	**495.57**	397.11
• Canalising commission	**250.00**	250.00
• Freight, Transportation and Demurrage	**836.50**	1036.51
• Rental Expenditure	**271.00**	350.31
• Creation of capital facilities by IOCL	**1004.10**	568.02
• Creation of capital facilities to IOCL	**-**	800.00
• Outstanding Receivables	**132247.06**	89385.37
Outstanding payables		
• Trade Payables	**402282.36**	114882.02
• Preference Shares	**100000.00**	100000.00

B. Details of Joint Ventures

i) Indian Additives Limited

(₹ in Lakhs)

Particulars	31-Mar-2018	31-Mar-2017
• Investment	**1183.40**	1183.40
• Sale of Product	**4203.03**	4348.82
• Rental income	**56.04**	47.91
• Dividend received	**591.70**	591.70
• Sale of Water	**0.86**	-
• Outstanding Receivables	**160.50**	393.85

ii) National Aromatics & Petrochemicals Corporation Limited

(₹ in Lakhs)

Particulars	31-Mar-2018	31-Mar-2017
• Investments in Joint Venture Entities / Associates*	**2.50**	2.50

* The Investment has been fully provided for diminution in value (Refer Note-4)

C. Entities over which KMP has significant influence

i) CPCL Educational Trust

(₹ in Lakhs)

Particulars	31-Mar-2018	31-Mar-2017
• CSR Expenses	**61.80**	42.50
• Repayment of Loan by Trust	**-**	25.00
• Interest	**-**	2.14

D. Associates of Holding Company

i) IOT Infrastructure & Energy Services Limited

(₹ in Lakhs)

Particulars	31-Mar-2018	31-Mar-2017
• Terminalling/Bottling Charges	**1848.16**	2669.01
• Outstanding payable	**883.14**	107.81

E. Government related entities where significant transactions are carried out:

Apart from transactions reported above, the company has transactions with other Government related entities, which includes but not limited to the following:

Name of Government: Government of India (Central and State Government)

Nature of Transactions:

- Sale of Product and Services
- Purchase of Product
- Purchase of Raw Materials
- Handling and Freight Charges, etc.

These transactions are conducted in the ordinary course of the Company's business on terms comparable to those with other entities that are not Government-related

2) Key Managerial Personnel

A. Whole Time Directors / Company Secretary

1) Shri.B.Ashok (Upto 31.05.2017)

2) Shri.Sanjiv Singh

3) Shri Gautam Roy (Upto 31.1.2018)

4) Shri S.Venkataramana (Upto 31.7.2017)

5) Shri U.Venkata Ramana

6) Shri S.Krishna Prasad (Upto 31.1.2018)

7) Shri.Farzad Bahrami

8) Shri.Mohammad Bagher Dakhili

9) Shri S.N. Pandey (w.e.f 01.02.2018)

10) Shri G.Aravindan (w.e.f 30.01.2018)

11) Shri P.Shankar

B. Independent / Government Nominee Directors

1) Shri .K.M.Mahesh (Upto 24.11.2017)

2) Shri .Mrutunjay Shaoo

3) Dr.P.B.Lohiya

4) Smt. Perin Devi (w.e.f . 24.11.2017)

C) Details relating to the parties referred to in Item No.2A & 2B above :

For the Year ended 31-Mar-2018

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Sitting Fee	Outstanding loans/ advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri Gautam Roy	43.87	5.53	10.94	-	60.34	-	-
2) Shri S.Venkataramana	23.34	11.33	29.79	-	64.46	-	
3) Shri U.Venkata Ramana	48.29	5.23	6.34	-	59.86	-	1.64
4) Shri S.Krishna Prasad	33.26	5.11	3.83	-	42.20	-	-
5) Shri P.Shankar	39.19	5.66	4.41		49.26	-	4.05
6) Shri S.N. Pandey	5.01	1.13	-	-	6.14	-	0.74
7) Shri G.Aravindan	6.64	1.16		-	7.80	-	-
B. Independent / Government Nominee Directors#							
1) Shri Mrutunjay Sahoo	-	-	-	-	-	2.80	-
2)Dr.P.B.Lohiya	-	-	-	-	-	4.60	-
TOTAL	**199.60**	**35.15**	**55.31**	**-**	**290.06**	**7.40**	**6.43**

#Sitting fees paid to Independent Directors

For the Year ended 31-Mar-2017

Details of Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Other Income	Outstanding loans/ advance receivables
A. Whole Time Directors / Company Secretary							
1) Shri Gautam Roy	40.90	6.58	-	-	47.48	-	-
2) Shri S.Venkataramana	31.49	10.37	-	-	41.86	-	3.45
3) Shri U.Venkata Ramana	31.66	6.12	-	-	37.78	-	-
4) Shri S.Krishna Prasad	40.13	6.11	-	-	46.24	-	-
5) Shri P.Shankar	31.95	8.92	-	-	40.87	-	5.25
B. Independent / Government Nominee Directors*							
1)Shri .Mrutunjay Shaoo	-	-	-	-	-	0.20	-
2)Dr.P.B.Lohiya	-	-	-	-	-	0.20	-
3)Shri .G.Ramaswamy	-	-	-	-	-	2.00	-
TOTAL	**176.13**	**38.10**	**-**	**-**	**214.23**	**2.40**	**8.70**

*Sitting fees paid to Independent Directors

This does not include the impact of provision made on actuarial valution of retirement benofit/long term Schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual directors

3) Trusts

Transactions with Post Employment Benefit Plans managed through separate trust

SL. No	Name of the Trust	Post Employment Benefit Plan	31-Mar-2018		31-Mar-2017	
			Net Contribution	Outstanding Payable	Net Contribution	Outstanding Payable
A	CPCL Employees Provident Fund	Provident Fund	2012.22	437.28	1709.00	375.58
B	CPCL Employees Superannuation Benefit Fund	Pension Scheme	2112.71	217.28	2286.00	221.93
C	CPCL Employees Group Gratuity Trust	Gratuity	-	-	-	-

Note – 35 : FAIR VALUES
Set out below, is a comparison by class of the carrying amounts as per financial statements and fair value of the Company's financial instruments, along with the fair value measurement hierarchy:

(₹ in Lakhs)

Particulars	Carrying value		Fair value		Fair value measurement hierarchy level
	As at 31-Mar-2018	As at 31-Mar-2017	**As at 31-Mar-2018**	As at 31-Mar-2017	
Financial Assets					
Amortised Cost:					
Loans to employees	**4785.09**	4849.47	**4669.73**	4525.47	Level 2
Total	**4785.09**	4849.47	**4669.73**	4525.47	
Financial liabilities					
A. Borrowings:					
Amortised Cost:					
Non-Convertible Redeemable Bonds	**100000.00**	100000.00	**101453.61**	104157.56	Level 2
Finance lease obligation	**-**	334.25	**-**	334.25	Level 2
Preference Shares	**100000.00**	100000.00	**100809.08**	107325.00	Level 2
Term Loans from Banks - In Foreign Currency Loans	**32590.00**	32427.50	**32590.00**	32427.50	Level 2
Loans from financial Institutions	**206299.51**	317344.32	**206299.51**	317344.32	Level 2
Total	**438889.51**	550106.07	**441152.20**	561588.63	

Notes:

1. Levels under Fair Value measurement hierarchy are as follows:
   (a) **Level 1** items fair valuation is based upon **market price quotation at each reporting date**
   (b) **Level 2** items fair valuation is based upon **Significant observable inputs like PV of future cash flows, MTM valuation, etc**.
   (c) **Level 3** items fair valuation is based upon **Significant unobservable inputs wherein valuation done by independent valuer.**

2. The management assessed that Trade Receivables, Cash and Cash Equivalents, Bank Balances, Deposit for Leave Encashment Fund, Recoverable from Employee Benefits Trusts, Other Non-derivative Current Financial Assets, Short-term Borrowing, Trade Payables, Floating Rate Loans and Other Non-derivative Current Financial Liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

3. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Methods and assumptions

The following methods and assumptions were used to estimate the fair values at the reporting date:

Level 2 Hierarchy:

(i) Derivative instruments at fair value through profit or loss viz.Foreign exchange forward contracts: Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs are considered .

(ii) **Loans to employees, Loan to related parties, Security deposits paid and Security deposits received:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities

(iii) **Finance lease obligation:** For obligation arrived based on IRR, implicit rate applicable on the reporting date and for obligation arrived based on incremental borrowing rate, applicable rate for remaining maturity.

(iv) **Term Loans from Banks - In Foreign Currency:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities (Excluding floating rate borrowings)

(v) **Non Convertible Redeemable Preference shares :** The fair value of Preference shares is estimated by discounting future cash flows.

Note – 36 : FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company's principal financial liabilities, other than derivatives, comprise Borrowings, trade and other payables, security deposits and employee liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include loans & advances, trade and other receivables, short-term deposits and cash / cash equivalents that derive directly from its operations. The company's requirement of crude oil imports are canalized through its holding company, Indian Oil Corporation Limited. The derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that trading in derivatives are taken only to hedge the various risks that the company is exposed to and not for speculation purpose.

To ensure alignment of Risk Management system with the corporate and operational objective and to improve upon the existing procedure, the Executive Committee of the company constituted a Committee comprising of officials from various functional areas to identify the risks in the present context, prioritize them and formulate proper action plan for implementation. The Committee has formulated the Risk Management Policy.The Action Taken Report on the Risk Management Policy for the year 2016-17 was reviewed by the Audit Committee and Board at the Meeting held on 15.05.2017 respectively and the Report for the year 2017-18 has been reviewed by the Audit Committee and Board at the Meeting held on 10.05.2018.

The Board of Directors oversees the risk management activities for managing each of these risks, which are summarised below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The major components of market risk are interest rate risk, foreign currency risk, commodity price risk and other price risks etc. Financial instruments affected by market risk include Borrowings, Deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31st March 2018 and 31st March 2017

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions, and other non-financial assets.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March 2018 and 31st March 2017 including theeffect of hedge accounting.
- The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at 31st March 2018.

Interest rate risk

The Company is also exposed to interest rate risk from the possibility that changes in interest rates will affect future cash flows of a financial instrument, principally financial debt. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's interest rate risk management includes to maintain a mix between fixed and floating rates for rupee and foreign currency loans, based on liquidity, availability of cost effective instruments and considering the market / regulatory constraints. As at 31st March 2018, approximately 93% of the Company's borrowings are at a fixed rate of interest (31st March 2017: 94%).

The sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, on floating rate borrowings is as follows:

Currency	**Increase / Decrease in basis points**	**Effect on profit before tax (₹ in Lakhs)**	Increase / Decrease in basis points	Effect on profit before tax (₹ in Lakhs)
	31-Mar-18		31-Mar-17	
INR	**+50**	**-**	+50	-
US Dollar	**+50**	**(162.95)**	+50	(162.14)
INR	**-50**	**-**	-50	-
US Dollar	**-50**	**162.95**	-50	162.14

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years .

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and Borrowings.

The Company manages its foreign currency risk through combination of natural hedge, hedging undertaken on occurrence of pre-determined triggers as per the Risk management policy. The hedging is undertaken through forward contracts.

The sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant and the impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities is tabulated below. The Company's exposure to foreign currency changes for all other currencies is not material.

Currency	**Increase / Decrease in %**	**Effect on profit before tax (₹ in Lakhs)**	Increase / Decrease in %	Effect on profit before tax (₹ in Lakhs)
	31-Mar-18		31-Mar-17	
INR	**+5%**	**(20333.91)**	+5%	(7242.90)
US Dollar	**-5%**	**20333.91**	-5%	7242.90

The effects of most exchange rate fluctuations are absorbed in business operating results which are offset by changing cost competitiveness, lags in market adjustments to movements in rates to its other non-financial assets like inventory etc. For this reason, the total effect of exchange rate fluctuations is not identifiable separately in the company's reported results.

Note – 36 : FINANCIAL INSTRUMENTS AND RISK FACTORS

Credit risk

Trade receivables

Customer credit risk is managed according to the Company's policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. Transactions other than with oil marketing companies are either generally covered by Letters of Credit, Bank Guarantees or cash-and-carry basis.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approvedcounter parties and within credit limits assigned to each counterparty so as to minimise concentration of risks and mitigate consequent financial loss.

Liquidity risk

The Company monitors its risk of shortage of funds using detailed cash flow projections which is monitored closely on daily basis. The Company seeks to manage its liquidity requirement by maintaining access to both short term and long term debt markets. In addition, Company has committed credit facilities from banks. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, commercial papers, bank loans and debentures. and finance leases. The Company assessed the concentration of risk and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ in Lakhs)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31-Mar-18						
Borrowings	206299.51	50000.00	100000.00	82590.00	-	438889.51
Trade payables	27411.85	416952.61	-	-	-	444364.46
Other financial liabilities	45566.70	87.25	10145.51	-	-	55799.46
	279278.06	**467039.86**	**110145.51**	**82590.00**	**-**	**939053.43**
Year ended 31-Mar-17						
Borrowings	-	317344.32	-	232427.50	-	549771.82
Trade payables	34126.30	131089.67	-	-	-	165215.97
Other financial liabilities	32267.88	64.98	10145.51	-	-	42478.37
	66394.18	**448498.97**	**10145.51**	**232427.50**	**-**	**757466.16**

Excessive risk concentration

Substantial portion of the Company's sales is to the Holding Company, Indian Oil Corporation Limited. Consequently, trade receivables from IOCL are a significant proportion of the Company's receivables. Since the operations are synchronised with those of the Holding Company, for optimal results, the same does not present any risk.

Collateral

As the Company has been rated investment grade by various rating agencies, there has been no requirement of submitting any collateral for booking of derivative contracts. The Company undertakes derivatives contract only with those counterparties that have credit rating above the internally approved threshold rating. Accordingly, the Company does not seek any collaterals from its counterparties.

Note – 37 : CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company monitors capital using debt equity ratio, which is borrowings divided by Equity. The Company's strategy is to keep the debt equity ratio in the range of 2:1 and 1:1. The Company also includes accrued interest in the borrowings for the purpose of capital management.

(₹ in Lakhs)

Particulars		**31-Mar-18**	31-Mar-17
Borrowings		438889.51	549771.82
Accrued Interest thereon		10232.76	10210.49
Total Borrowings		**449122.27**	559982.31
Equity Share Capital		14900.46	14900.46
Reserves and Surplus		384799.74	329209.69
Equity		**399700.20**	344110.15
Debt Equity Ratio		**1.12 : 1**	1.63 : 1

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2018 and 31st March 2017.

Note – 38 : RESEARCH AND DEVELOPMENT COSTS

Research and Development Expenses of ₹370.47 Lakhs(2017: ₹ 60.28 Lakhs) have been capitalized and ₹ 780.82 Lakhs (2017 ₹ 393.66 Lakhs) have been accounted for in the Statment of Profit and Loss during the year. Detailed break up of total expenditure is as under:

A. CAPITAL EXPENSES (FIXED ASSETS)

(₹ in Lakhs)

Asset Block	Gross Block as at 1 Apr 2017	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at 31 Mar 2018	Work-in-Progress as at 01 Apr 2017	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31 Mar 2018	Total Capital Expenditure
1	2	3	4	5	6 = (2+3+4-5)	7	8	9	10 = (7+8-9)	11=(3+8)
Fixed Assets										
Plant & Equipment	**1240.54**	327.00	-	-	**1567.54**	-	6.23	-	6.23	**333.23**
Office Equipment	**11.97**	15.86	-	-	**27.83**	-	-	-	-	**15.86**
Furniture & Fixtures	**1.56**	21.38	-	-	**22.94**	-	-	-	-	**21.38**
Sub Total	**1254.07**	**364.24**	-	-	**1618.31**	-	**6.23**	-	**6.23**	**370.47**
Total	**1254.07**	**364.24**	-	-	**1618.31**	-	**6.23**	-	**6.23**	**370.47**

B. RECURRING EXPENSES

(₹ in Lakhs)

Sl. No	Particulars	31-Mar-18	31-Mar-17
1	Consumption of Stores, Spares & Consumables	**287.43**	34.59
2	Repairs & Maintenance (a) Plant & Machinery	**33.06**	21.21
3	Payment to and Provisions for employees	**434.58**	320.63
4	Other Expenses	**25.75**	17.23
	Total	**780.82**	393.66

C. TOTAL RESEARCH EXPENSES

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Capital Expenditure	**370.47**	60.28
Recurring Expenditure	**780.82**	393.66
Total	**1151.29**	453.94

Note – 39 : DISCLOSURE RELATING TO CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

The disclosure in respect of CSR expenditure for Financial Year ended 2017-18 is as under:

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
(a) Gross amount required to be spent by the company during the year.		
Annual CSR Allocation	909.16	-
Carry forward from previous year	-	-
Gross amount required to be spent	909.16	-

(b) Amount spent during the year on:

(₹ in Lakhs)

	31-Mar-18			31-Mar-17		
	In cash	Yet to be paid In cash**	Total	In cash	Yet to be paid In cash**	Total
(i) Construction/acquisition of any assets						
(ii) On purposes other than (i) above						
Health and Sanitation	116.69	-	116.69	41.25		41.25
Swachh Bharat	446.79		446.79	-		-
Education/employment vocational skills	107.50		107.50	2.00		2.00
Administration Expenses, training etc.	138.13		138.13	112.65		112.65
Drinking Water	20.94		20.94	-		-
Other expenses	88.13		88.13	31.61		31.61
Total Expenses (ii)	**918.18**	**-**	**918.18**	**187.51**	**-**	**187.51**
Grand Total (i) and (ii)	**918.18**	**-**	**918.18**	**187.51**	**-**	**187.51**

**Provisions made for liabilities incurred

Note 40 : EVENTS AFTER REPORTING PERIOD

1. The Board of Directors has recommended a dividend of 6.65% on the paid-up Preference Capital of the company, representing ₹ 0.665 per preference share and 185% on the paid-up Equity Capital of the company, representing ₹ 18.50 per equity share.

2. The Board of Directors of the Company at the meeting held on 05th April 2018, has accorded approval for the partial redemption of Non- Convertible Cumulative Redeemable Preference shares to the extent of ₹ 50000 Lakhs, out of the total outstanding amount of ₹ 100000 Lakhs. Accordingly, in terms of the issue, offer for partial redemption of Non-Convertible Cumulative Redeemable Preference shares to the extent of ₹ 50000 Lakhs, would be made to Indian Oil Corporation Limited. Based on the acceptance of the offer by IndianOil, further action in this regard would be initiated .

3.The Board of Directors of the Company at the meeting held on 05th April 2018 has accorded approval, (subject to the approval of the shareholders of the Company in the General Meeting):

a) For cancellation of unsubscribed equity share capital of ₹ 2086.89 Lakhs consisting of 2,08,68,900 equity shares of ₹ 10/- each, comprising of partial subscription to Rights Issue made by the company in 1984, by the Government of India and non-subscription by Amoco India Inc., to the Rights Issue made by the company in 1984;

b) For cancellation of 2,19,700 forfeited equity shares of ₹ 10/- each totaling ₹ 21.97 Lakhs (1,87,900 equity shares forfeited on 26.09.2003 and 31,800 equity shares forfeited on 26.10.2006)

Note – 41 : EXPOSURE TO FINANCIAL DERIVATIVES

Financial and Derivative Instruments:

1. All derivative contracts entered into by the Company are for hedging its foreign currency relating to underlying transactions and firm commitments and not for any speculative or trading purposes.

2. The company has No Outstanding forward contract as at 31st March 2018(2017 : NIL) which has been undertaken to hedge its exposure to borrowings and other financial liabilities.

3. Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2018 is given below:

(₹ in Lakhs)

Sl. No.	Particulars	As on 31-Mar-18 Aggregate amount	As on 31-Mar-17 Aggregate amount
1	Unhedged- Payables	**434797.48**	157813.91
2	Unhedged- Receivables	**28119.19**	12955.92

Note – 42 : OTHER DISCLOSURES

1 **Details of impairment loss in respect of Cauvery Basin Refinery**

The Company has refineries at two locations viz., Manali and Nagapattinam (Cauvery Basin Refinery). Consequent to implementation of BS- IV specifications on a pan India basis w.e.f 01.04.2017 and in the absence of secondary treatment facilities, the BS – III grade of diesel production from CBR would not be marketable in the local market, entailing significant coastal/export under recoveries, which has adversely impacted the profitability of CBR and hence the value in use is negative. Accordingly, in line with the requirements of Ind AS -36, an amount of ₹ 432.77 Lakhs has been accounted as impairment loss during the year, being the difference between the carrying value of additions during the year ₹ 3345.16 Lakhs and the recoverable value of ₹ 1003.55 Lakhs after adjusting the impairment loss of ₹1908.84 Lakhs already accounted as part of Capital work in progress in previous year. This impairment loss has been recognised as part of Depreciation, Depletion and Amortisation of tangible and intangible assets in the statement of profit and loss as the carrying value of the assets is lower than the value in use/ estimated recoverable amount of this CGU. Total impairment loss recognized as on 31.03.2018 - ₹ 6611.41 Lakhs

In estimating the value in use, the approximate weighted average capital cost has been considered as the discount rate used to calculate the net present value of the estimated future cash flows, which are subject to changes in the external environment.

The fair value less cost of disposal used to determine the recoverable amounts of the impaired assets are classified as level 3 fair value measurements (as detailed in statement of significant accounting policy no.4), as the estimated recoverable amounts are not based on observable market data, rather, management's best estimates. The results of impairment test are sensitive to changes in key judgements, such as changes in commodity prices, future changes in alternate use of assets etc, which could result in increase or decrease of the recoverable amounts and result in additional impairment charges or recovery of impairment charged.

2 Pay revision in respect of supervisory employees due from 01.01.2017 has been implemented based on receipt of presidential directives on 29.10.2017 and accounted accordingly. Pending finalization of revision in pay and benefits in respect of non - supervisory employees, provision of ₹ 3783 Lakhs, including consequential impact of retirement benefits has been reckoned during the year - Refer note 25.(2017: ₹ 11064 Lakhs for all employees)

3 The Employees Township at Cauvery Basin Refinery has been constructed on land area of thirty four acres and forty nine cents of land leased from a trust on five-year renewable basis.

4 As part of CSR activities, CPCL sponsors polytechnic college, for which twenty acres of land of the company has been leased to the CPCL Educational Trust for a period of 50 years.

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

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

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

6 The Company's Property, Plant & Equipments and stores & spares were damaged due to the severe floods in Chennai during December 2015. As against the final claim amount of ₹ 607.13 Lakhs (replacement & repair cost net of deductibles), on account payment of ₹ 300.00 Lakhs received from the insurance company in FY 2015-16, has been disclosed as income in that year. In respect of damages suffered due to Vardha cyclone during December 2016, the Company has filed insurance claim for an estimated amount of ₹ 992.34 Lakhs (replacement cost after considering the deductibles). Final claim is yet to be lodged with the insurance company.

7 **Valuation of Finished Products:**

The overall gross margin percentage for all joint products is subtracted from the final net realisable value of each product to arrive at the total cost of each product which is taken as the basis for valuation of closing stock of finished products. (Refer Policy No 7.2 in Note – 1 – "Statement of Significant Accounting Policies").

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

9 Previous year's comparative figures have been regrouped, reclassified and recast wherever necessary.

Note – 43 : STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES (FORM AOC-I)

Part A : Subsidiaries
Not applicable as there are no subsidiaries

Part B : Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures (FORM AOC - I)

Sl No.	Name of the Associates / Joint Ventures	Indian Additives Limited	National Aromatics and Petrochemical Corporation Limited
1	Latest Audited Balance Sheet Date	31-Mar-18	31-Mar-17
2	Date on which the Associate or Joint Venture was associated or acquired	13-Jul-89	10-May-89
3	i) No.	1183401	25000
	ii) Amount of Investment in Associates / Joint Ventures	1183.40	2.50
	iii) Extent of Holding	50.00%	50.00%
4	Description of how there is significant influence	Joint venture	Joint venture
5	Reason why the associate / Joint ventures is not Consolidated	Consolidated	Consolidated
6	Net worth attributable to shareholding as per latest audited balance sheet	15244.10	-
7	Profit / (Loss) for the year		
	I) Considered in Consolidation	1954.21	-
	II) Not Considered in consolidation	1954.21	-

(S N Pandey)
Managing Director

(Rajeev Ailawadi)
Director (Finance)

(P.Shankar)
Company Secretary

As per our Report of even date

FOR R. SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
FRN: 004137S / S200041

FOR S. VISWANATHAN LLP
Chartered Accountants
FRN: 004770S / S200025

(R. Kumarasubramanian)
Partner
Membership No. 021888

(V.C. Krishnan)
Partner
Membership No. 022167

Place : Chennai
Date : 10-May-2018

Note – 44 : STATUTORY GROUP INFORMATION

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in Total Comprehensive income	
	As % of consolidated net assets	₹ in Lakhs	As % of consolidated profit and loss	₹ in Lakhs	As % of consolidated other comprehensive income	₹ in Lakhs	As % of total comprehensive income	₹ in Lakhs
Parent								
Chennai Petroleum Corporation Limited								
Balance as at 31st March 2018	**96.19%**	**384456.10**	**97.89%**	**90767.91**	**98.00%**	**613.39**	**97.89%**	**91381.30**
Balance as at 31st March 2017	95.93%	330120.62	97.37%	102318.96	100.05%	(568.41)	97.36%	101750.55
Joint ventures (investment as per the equity method of accounting)								
Indian								
1 Indian Additives Limited								
Balance as at 31st March 2018	**3.81%**	**15244.10**	**2.11%**	**1954.21**	**2.00%**	**12.51**	**2.11%**	**1966.72**
Balance as at 31st March 2017	4.07%	13989.53	2.63%	2763.38	(0.05%)	0.31	2.64%	2763.69
2 National Aromatics and Petrochemical Corporation Limited								
Balance as at 31st March 2018	-	-	-	-	-	-	-	-
Balance as at 31st March 2017	-	-	-	-	-	-	-	-
Total Balance as at 31st March 2018	**100.00%**	**399700.20**	**100.00%**	**92722.12**	**100.00%**	**625.90**	**100.00%**	**93348.00**
Total Balance as at 31st March 2017	100.00%	344110.15	100.00%	105082.34	100.00%	(568.10)	100.00%	104514.24

COMMENTS OF CAG

Comments of the Comptroller and Auditor General of India

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF CHENNAI PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2018

The preparation of financial statements of **Chennai Petroleum Corporation Ltd.** for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **10 May 2018**

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of **Chennai Petroleum Corporation Limited** for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report.

For and on the behalf of the
Comptroller & Auditor General of India

(R. AMBALAVANAN)
Principal Director of Commercial Audit and
Ex-Officio Member, Audit Board, Chennai

Place: Chennai
Date: 06 July 2018

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CHENNAI PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2018

The preparation of consolidated financial statements of **Chennai Petroleum Corporation Ltd.** for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **10 May 2018.**

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of **Chennai Petroleum Corporation Limited** for the year ended 31 March 2018. We conducted a supplementary audit of the financial statements of Chennai Petroleum Corporation Limited for the year ended on that date. Further, Section 139(5) and 143(6)(b) of the Act are not applicable to Indian Additives Limited and National Aromatics and Petrochemical Corporation Limited being private entities for appointment of their Statutory Auditors nor for conduct of supplementary audit. Accordingly C&AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on behalf of the
Comptroller & Auditor General of India

(R. AMBALAVANAN)
Principal Director of Commercial Audit and
Ex-Officio Member, Audit Board, Chennai

Place: Chennai
Date: 06 July 2018