

## INDEPENDENT AUDITOR'S REPORT

To the Members of Chennai Petroleum Corporation Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of **CHENNAI PETROLEUM CORPORATION LIMITED** (hereinafter referred to as the "Company") and its Jointly controlled entities, **NATIONAL AROMATICS AND PETROCHEMICALS CORPORATION LIMITED** and **INDIAN ADDITIVES LIMITED** which comprise the consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss, including Other Comprehensive Income, the consolidated Statement of changes in equity and the consolidated Statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its jointly controlled entities as at March 31, 2022, of consolidated profit including other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company and its jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013 and rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.



## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

KEY AUDIT MATTER 1	HOW IT WAS ADDRESSED DURING AUDIT
<b>Measurement of Inventories (excluding stores and spares)</b>	
<p>a) As at 31st March 2022 the value of Inventory (excluding stores and spares) is Rs.7242.37 Crores. This constitutes significant percentage of the current assets of the Company.</p> <p>b) The Inventories are initially measured by volume at the natural temperature and various conversion factors are applied to derive the quantitative measure at 15°C.</p> <p>c) The closing Inventory of raw materials has different grades having different weighted average price. The closing inventory of finished products comprises several joint products, having different derived cost of production.</p> <p>d) Considering the various technical measures applied in determining the quantity and value of the inventories, we believe a higher inherent risk is associated with its measurement, requiring significant judgments and estimates. Hence we considered it as a key audit matter.</p> <p>(Please Refer Note No's. 9 and significant accounting policy No.7.1 and 7.2 in Note No.1A)</p>	<p>a) We have evaluated the appropriateness of the management's tank gauging instructions and procedures adopted for recording the Company's physical inventory measurement.</p> <p>b) We have planned and observed the performance of the management's volume measurement procedures at the year end.</p> <p>c) We have derived by reperformance the quantitative measurement by applying conversion metrics for temperature, density and other factors. This conversion metrics was tested on sample basis independently with an external input. The derived measures were compared with the book quantities.</p> <p>d) In case of raw material we have test checked the correctness of the computation of the weighted average cost.</p> <p>e) In respect of stock in process and finished products, we have verified the correctness of valuation.</p> <p>We have tested the requirement, if any, for the write down of the inventories to net realisable value of the inventories.</p>





KEY AUDIT MATTER 2	HOW IT WAS ADDRESSED DURING AUDIT
<b>Provisions and Contingent Liabilities</b>	
<p>a) The Company has material uncertain positions and other disputes which involves significant judgement. to determine possible outcome of these disputes. Contingent liabilities are not recognised in the Financial statements but are only disclosed as information unless possibility of outflow of economic resources is considered remote.</p> <p>b) The assessment of the risks associated with the litigations is based on complex assumptions, which require the use of significant judgement and such judgement relates, primarily, to the assessment of the uncertainties connected to the prediction of the outcome of the proceedings and to the adequacy of the disclosures in the standalone financial statements. Because of the judgement required, the materiality of such litigations and the complexity of the assessment process, the area is a key matter for our audit</p> <p>(Please Refer Note No. 33B and significant accounting policy No.8 in Note No.1A)</p>	<p>Our audit procedures in response to this Key Audit Matter included, among others,</p> <p>a) Assessment of the process and relevant controls implemented to identify legal and tax litigations and pending administrative proceedings.</p> <p>b) Assessment of assumptions used in estimating the possible outcome of such disputed claims/ cases against the company based on records and judicial precedents made available.</p> <p>c) Inspection of the key relevant documentation and inquiry with the legal and tax departments regarding the status of the most significant disputes.</p> <p>d) Analysis of opinion received from the experts wherever available.</p> <p>e) Review of the adequacy of the disclosures in the notes to the standalone financial statements.</p>

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The respective Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis and the Company's Annual Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon, which are expected to be made available to us after the date of this Auditor's Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of the audit or otherwise appears to be materially misstated.

When we read the report and other information as stated above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibilities of the Management and Those Charged with Governance for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Company and its Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

The respective Board of Directors of the Company and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its Jointly controlled entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Company and of its Jointly controlled entities are responsible for assessing the ability of the Company and of its Jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and its Jointly controlled entities are responsible for overseeing the financial reporting process of the Company and its Jointly controlled entities.





## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its Jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its Jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company and its jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

The consolidated financial statements also include the Company's share of net profit of Rs. 15.59 Crores and net other comprehensive income of Rs. 0.26 Crores for the year ended 31st March, 2022, as considered in the consolidated financial statements, in respect of two jointly controlled companies, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled





companies, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled companies, is based solely on the reports of the other auditors.

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit 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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The company being a Government Company, disqualification of directors stated under Section 164(2) of the Act is not applicable to the Company as per notification no. GSR 463(E) of the Ministry of Corporate Affairs dated 05/06/2015. On the basis of the report of the statutory auditors of the jointly controlled entities none of the directors of the jointly controlled entities are disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- (g) The Company, being a Government Company, the provisions of section 197 are not applicable to the Company as per the notification of MCA in G.S.R. 463(E) dated 5th June



2015, and therefore the reporting requirement under section 197(16) does not arise. On the basis of the report of the statutory auditors of the jointly controlled companies, the remuneration paid to the directors of such companies during the current year is in accordance with section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its jointly controlled entities- Refer Note 33(B) to the consolidated financial statements.
  - (ii) The Company and its jointly controlled entities did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its Jointly controlled companies incorporated in India.
  - (iv) (a) The respective managements of the company have represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) The respective managements of the company and have represented that, to the best of their knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
  
(c) Based on such audit procedures performed by us that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above contain any material mis-statement.





- (v) The company has not declared or paid any dividend during the year. As stated in Note 29 to the financial statement, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of member at the ensuing annual general meeting. The dividend proposed is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and issued by auditors of the jointly controlled entities included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports except as under:

Name	CIN	Holding Company/Subsidiary/Associate/Joint venture	Clause number of CARO report which is qualified or adverse
National Aromatics and Petrochemicals Corporation Limited	U11101TN1989PLC 017403	Joint venture	Clause 3 (xix) is qualified

For Padmanabhan Ramani & Ramanujam  
Chartered Accountants  
FRN: 002510S



*P. Ranga Ramanujam*  
P. Ranga Ramanujam

Partner

Membership No: 022201  
UDIN: 22022201AHYLEW8235

Place: Chennai

Date: April 27, 2022

## ANNEXURE- A TO INDEPENDENT AUDITOR'S REPORT

*(Referred to in paragraph 1(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 Consolidated financial statements of the Company for the year ended March 31, 2022)*

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting with reference to consolidated financial statements of **Chennai Petroleum Corporation Limited** ("the Company") and its Jointly controlled entities, which are companies incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the company and its jointly controlled companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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 respective 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over Financial Reporting with reference to consolidated financial statements 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 both issued by the Institute of Chartered Accountants of India, as prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India with reference to consolidated financial statements. 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 with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to consolidated financial statements 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to consolidated financial statements.

### **Meaning of Internal Financial Controls over Financial Reporting with reference to consolidated financial statements**

A company's internal financial control over financial reporting with reference to consolidated financial statements 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 with reference to consolidated financial statements includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 with reference to consolidated financial statements**

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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



## 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 with reference to consolidated financial statements in so far as it relates to two jointly controlled companies, which are incorporated in India, is based on the corresponding report of the auditor of the companies.

## Opinion

In our opinion the Company, and its jointly controlled companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls over financial reporting with reference to consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting with reference to consolidated financial statements criteria established by the respective Companies 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 Padmanabhan Ramani & Ramanujam**

**Chartered Accountants**

**FRN: 002510S**



*P. Ranga Ramanujam*

**P. Ranga Ramanujam**

**Partner**

**Membership No: 022201**

**UDIN: 22022201AHYLEW8235**

**Place: Chennai**

**Date: April 27, 2022**



**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**BALANCE SHEET AS AT 31ST MARCH 2022**

			₹ in Crore
Particulars	Note No.	As at 31-Mar-22	As at 31-Mar-21
<b>I ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	2	6924.17	7096.56
(b) Capital work-in-progress	2.1	1209.55	1308.63
(c) Intangible assets	3	42.46	45.61
(d) Intangible assets under development	3.1	-	241.80
(e) Financial Assets			
(i) Investments			
- Equity Investment in Joint Ventures	4	208.44	198.51
- Other Investments	4.1	0.11	0.11
(ii) Loans	5	60.58	53.34
(iii) Other Financial Assets	6	129.51	112.42
(f) Income tax assets (Net)	7	71.45	51.06
(g) Other non-current assets	8	82.73	60.26
		<b>8729.00</b>	<b>9168.30</b>
<b>(2) Current assets</b>			
(a) Inventories	9	7532.51	4508.86
(b) Financial Assets			
(i) Trade receivables	10	252.32	199.98
(ii) Cash and cash equivalents	11	8.33	1.15
(iii) Bank balances other than (ii) above	12	3.67	3.68
(iv) Loans	5	10.97	11.27
(v) Other Financial Assets	6	63.14	39.79
(c) Other current assets	8	377.18	292.00
		<b>8248.12</b>	<b>5056.73</b>
<b>(3) Assets included in disposal group held for transfer</b>	<b>44.1</b>	<b>618.46</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>17595.58</b>	<b>14225.03</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	13	148.91	148.91
(b) Other Equity	14	2837.82	1462.29
<b>LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	2391.55	3004.64
(i) Lease Liabilities		11.16	13.31
(ii) Other financial liabilities	16	6.60	6.72
(b) Provisions	17	111.47	109.47
(c) Deferred tax liabilities (Net)	7	563.09	103.52
(d) Other non-current liabilities	18	19.04	14.99
		<b>3102.91</b>	<b>3252.65</b>
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	6831.15	6143.33
(i) Lease liabilities		4.47	5.68
(ii) Trade payables	20		
- Total outstanding dues of micro and small enterprises		6.79	9.38
- Total outstanding dues of creditors other than micro and small enterprises		3233.27	1872.60
(iii) Other financial liabilities	16	517.84	626.66
(b) Other current liabilities	18	534.31	656.47
(c) Provisions	17	353.05	47.06
		<b>11480.88</b>	<b>9361.18</b>
<b>(3) Liability included in disposal group held for transfer</b>	<b>44.1</b>	<b>25.06</b>	<b>-</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17595.58</b>	<b>14225.03</b>

See accompanying notes to the financial statements

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for and on behalf of Board of Directors

(Arvind Kumar)  
 Managing Director  
 DIN - 09224177

(Rajeev Ailawadi)  
 Director (Finance)  
 DIN - 07826722

(P.Shankar)  
 Company Secretary  
 ACS -7624

As per our attached Report of even date

For PADMANABHAN RAMANI & RAMANUJAM  
 Chartered Accountants  
 (FRN: 0025105)

P. Ranga Ramanujam  
 Partner  
 Membership No. 022201  
 Place : Chennai  
 Date : 27-Apr-2022



**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022**

				₹ in Crore
Particulars	Note No.	For the Year ended 31-Mar-22	For the Year ended 31-Mar-21	
<b>I. Revenue from operations</b>	<b>21</b>	<b>60474.29</b>	<b>41899.07</b>	
<b>II. Other income</b>	<b>22</b>	<b>17.74</b>	<b>100.97</b>	
<b>III. Total Income (I + II)</b>		<b>60492.03</b>	<b>42000.04</b>	
<b>IV. Expenses:</b>				
Cost of materials consumed	23	40045.19	19864.68	
Purchase of Stock-in-Trade		47.72	39.94	
Changes in Inventories (Finished Goods and Work-In Progress)	24	(1227.29)	(892.11)	
Excise Duty		17098.91	19454.31	
Employee benefits expense	25	555.26	564.51	
Finance costs	26	412.44	375.04	
Depreciation and Amortisation expense on:				
a) Tangible Assets	2	500.46	462.50	
b) Intangible Assets	3	3.43	3.29	
		503.89	465.79	
Impairment losses / (gain)		(0.37)	1.59	
Other expenses	27	1230.62	855.61	
<b>Total Expenses (IV)</b>		<b>58666.37</b>	<b>40729.36</b>	
<b>V Profit before Exceptional items and tax (III - IV)</b>		<b>1825.66</b>	<b>1270.68</b>	
<b>VI Share of Profit of Joint Ventures</b>		<b>15.59</b>	<b>25.56</b>	
<b>VII Exceptional Items</b>		<b>-</b>	<b>-</b>	
<b>VIII Profit before tax (V + VI + VII)</b>		<b>1841.25</b>	<b>1296.24</b>	
<b>IX Tax expense:</b>	<b>7</b>			
(1) Current tax		37.27	-	
[Includes 37.27 Crore (2021: Nil) relating to prior years]				
(2) Deferred tax		451.95	1038.98	
[Includes Nil (2021: ₹ 693.76 Crore) relating to prior years]				
<b>X Profit for the year from continuing operations (VIII - IX)</b>		<b>1352.03</b>	<b>257.26</b>	
<b>XI Profit/(loss) from discontinued operations</b>		<b>-</b>	<b>-</b>	
<b>XII Tax expense of discontinued operations</b>		<b>-</b>	<b>-</b>	
<b>XIII Profit from Discontinued operations(after tax) (XI - XII)</b>		<b>-</b>	<b>-</b>	
<b>XIV Profit for the year (X + XIII)</b>		<b>1352.03</b>	<b>257.26</b>	
<b>XV Other Comprehensive Income</b>	<b>28</b>			
<b>A. (i) Items that will not be reclassified to profit or loss</b>		<b>31.19</b>	<b>(7.29)</b>	
(ii) Income Tax relating to items that will not be reclassified to profit or loss	7	(7.69)	1.96	
<b>Total Comprehensive Income for the year (XIV + XV)</b>		<b>1375.53</b>	<b>251.93</b>	
<b>XVI (Comprising Profit and Other Comprehensive Income for the year)</b>				
<b>XVII Earning per equity share:</b>				
(1) Basic (₹)	30	90.80	17.28	
(2) Diluted (₹)		90.80	17.28	

See accompanying notes to the financial statements

1-45

for and on behalf of Board of Directors

*Arvind Kumar*

(Arvind Kumar)  
Managing Director  
DIN - 09224177

As per our attached Report of even date

For **PADMANABHAN RAMANI & RAMANUJAM**  
Chartered Accountants  
(FRN: 002510S)

*Rajeev Ailawadi*

(Rajeev Ailawadi)  
Director (Finance)  
DIN - 07826722

*P. Shankar*

(P.Shankar)  
Company Secretary  
ACS - 7624

*P. Ranga Ramanujam*

**P. Ranga Ramanujam**  
Partner  
Membership No. 022201  
Place : Chennai  
Date : 27-Apr-2022





CHENNAI PETROLEUM CORPORATION LIMITED  
CONSOLIDATED FINANCIAL STATEMENTS  
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

(a) Equity Share Capital

₹ in Crore

	No of Equity shares of ₹ 10 each issued, subscribed and fully paid	Subscribed, called-up and paid-up share capital	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of reporting period	Changes in equity capital during the year	Total paid-up equity share capital balance at the end of the reporting period
At 31 March 2021	148911400	148.91	-	148.91	-	148.91
At 31 March 2022	148911400	148.91	-	148.91	-	148.91

(b) Other equity

₹ in Crore

	Reserve and Surplus					Total
	Securities Premium	Capital Redemption reserve	Capital reserve	Retained earnings	General reserve	
At 01 April 2020	250.04	600.00	0.09	(3179.05)	3539.28	1210.36
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at 01 April 2020	250.04	600.00	0.09	(3179.05)	3,539.28	1210.36
Profit for the Year	-	-	-	257.26	-	257.26
Other comprehensive income	-	-	-	-	-	-
Remeasurement of gain or loss on defined benefit plan	-	-	-	-	(5.33)	(5.33)
Total comprehensive income	-	-	-	257.26	(5.33)	251.93
Transfer to Retained Earnings	-	-	-	-	-	-
Transfer to Bond Redemption Reserve	-	-	-	-	-	-
Dividend	-	-	-	-	-	-
At 31 March 2021	250.04	600.00	0.09	(2921.79)	3533.95	1462.29

₹ in Crore

	Reserve and Surplus					Total
	Securities Premium	Capital Redemption reserve	Capital reserve	Retained earnings	General reserve	
At 01 April 2021	250.04	600.00	0.09	(2921.79)	3533.95	1462.29
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at 01 April 2021	250.04	600.00	0.09	(2921.79)	3533.95	1462.29
Profit for the Year	-	-	-	1352.03	-	1352.03
Other comprehensive income	-	-	-	-	-	-
Remeasurement of gain or loss on defined benefit plan	-	-	-	-	23.50	23.50
Transfer to Retained Earnings	-	-	-	-	-	-
Transfer to Capital Redemption Reserve	-	100.00	-	(100.00)	-	-
Dividend	-	-	-	-	-	-
At 31 March 2022	250.04	700.00	0.09	(1669.76)	3557.45	2837.82

for and on behalf of Board of Directors



(Arvind Kumar)  
Managing Director  
DIN - 09224177

As per our attached Report of even date



(Rajeev Ailawadi)  
Director (Finance)  
DIN - 07826722



(P. Shankar)  
Company Secretary  
ACS - 7624

For PADMANABHAN RAMANI & RAMANUJAM  
Chartered Accountants  
(FRN : 002510S)

  
P. Ranga Ramanujam  
Partner  
Membership No. 022201



Place : Chennai  
Date : 27-Apr-2022

**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2022**

₹ in Crore

Particulars	For the Year ended 31-Mar-22	For the Year ended 31-Mar-21
<b>A Cash Flow from Operating Activities</b>		
<b>1 Profit Before Tax</b>	<b>1841.25</b>	1296.25
<b>2 Adjustments for :</b>		
Depreciation of property, plant and equipment	500.46	462.50
Impairment losses / (gain)	(0.37)	1.59
Unclaimed / Unspent liabilities written back	-	(0.11)
Loss/(gain) on disposal of property, plant and equipments (net)	12.10	51.34
Amortisation on intangible assets	3.43	3.29
Amortisation of Government Grants	(1.67)	(1.31)
Net Exchange Differences	8.42	(4.98)
Provision for Capital work-in-progress / Doubtful Debts written back	-	(1.10)
Provision for Doubtful Debts, Advances and Claims	-	0.29
Remeasurement of Defined Benefit Plans thru OCI	30.85	(7.21)
Provision for Stores (net)	2.78	0.76
Finance income	(17.73)	(14.40)
Finance costs	404.02	375.04
Share of Joint Ventures	(15.59)	(25.56)
<b>3 Operating Profit before Working Capital Changes (1+2)</b>	<b>2767.95</b>	2136.39
<b>4 Change in Working Capital:</b>		
(Excluding Cash & Cash equivalents)		
Trade Receivables & Other receivables	(207.34)	(90.74)
Inventories	(3026.43)	(2148.85)
Trade and Other Payables	1241.36	300.84
Provisions	270.72	256.24
<b>Change in Working Capital</b>	<b>(1721.69)</b>	(1682.51)
<b>5 Cash Generated From Operations (3+4)</b>	<b>1046.26</b>	453.88
<b>6 Less : Taxes paid</b>	<b>20.39</b>	(1.62)
<b>7 Net Cash Flow from Operating Activities (5-6)</b>	<b>1025.87</b>	452.26
<b>B Cash Flow from Investing Activities:</b>		
Proceeds from sale of Property, plant and equipment / Transfer of Assets	0.17	0.60
Purchase of Property, plant and equipment	(699.67)	(568.87)
Interest received (Finance Income)	17.73	14.40
Dividend Income	5.92	5.92
<b>Net Cash Generated/(Used) in Investing Activities:</b>	<b>(675.85)</b>	(547.95)
<b>C Net Cash Flow From Financing Activities:</b>		
Proceeds from Long-Term Borrowings	775.00	1010.00
Repayments of Long-Term Borrowings (Including lease liability)	(468.01)	(518.79)
Proceeds from/(Repayments of) Short-Term Borrowings	(313.17)	(81.99)
Interest paid	(336.66)	(312.42)
<b>Net Cash Generated/(Used) from Financing Activities:</b>	<b>(342.84)</b>	96.80
<b>D Net Change in Cash &amp; cash equivalents (A+B+C)</b>	<b>7.18</b>	1.11
<b>E-1 Cash &amp; cash equivalents as at end of the year</b>	<b>8.33</b>	1.15
<b>E-2 Cash &amp; cash equivalents as at beginning of the year</b>	<b>1.15</b>	0.05
<b>NET CHANGE IN CASH &amp; CASH EQUIVALENTS (E 1- E 2)</b>	<b>7.18</b>	1.10

Notes:

1 Cash Flow Statement is prepared using Indirect method as per Indian Accounting Standard -7 Cash Flow Statement.





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

₹ in Crore

Financial Liabilities	As at 31.03.2020	Cash Flow	Non-cash Changes			As at 31.03.2021
			Lease Liability	Interest Accrued but not due	Foreign exchange movement	
Borrowings (Including lease liabilities)	8698.04	409.22	11.31	61.14	(12.75)	9166.96

Financial Liabilities	As at 31.03.2021	Cash Flow	Non-cash Changes			As at 31.03.2022
			Lease Liability	Interest Accrued but not due	Foreign exchange movement	
Borrowings (Including lease liabilities)	9166.96	1.41	4.00	65.96	-	9238.33

for and on behalf of Board of Directors

*Arvind Kumar*

(Arvind Kumar)  
Managing Director  
DIN - 09224177

*Rajeev Ailawadi*

(Rajeev Ailawadi)  
Director (Finance)  
DIN - 07826722

*P. Shankar*

(P. Shankar)  
Company Secretary  
ACS -7624

As per our attached Report of even date

For PADMANABHAN RAMANI & RAMANUJAM  
Chartered Accountants  
FRN: 002510S

*P. Ranga Ramanujam*

P. Ranga Ramanujam  
Partner  
Membership No. 022201



Place : Chennai  
Date : 27-Apr-2022

# **CHENNAI PETROLEUM CORPORATION LIMITED**

## **CONSOLIDATED FINANCIAL STATEMENTS**

### **Note-1A Corporate Information and Significant Accounting Policies**

#### **I. Corporate Information**

The consolidated financial statements of "Chennai Petroleum Corporation Limited" ("the Group" or "CPCL") are for the year ended 31<sup>st</sup> March, 2022.

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

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

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

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

The consolidated financial statements have been approved for issue in accordance with a resolution of the Board of directors on 27<sup>th</sup> April, 2022.

#### **II. Significant Accounting Policies**

##### **1. BASIS OF PREPARATION / CONSOLIDATION**

- 1.1.** The financial statements have been prepared in accordance with the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules and other relevant provisions of the Act and Rules thereunder, as amended from time to time.

The consolidated financial statements have been prepared on historical cost convention, accrual and going concern basis except where Ind AS requires a different accounting treatment like fair value / amortized cost / present value / Realizable value. These accounting policies have been applied consistently over all periods presented in these financial statements

The consolidated financial statements are presented in Indian Rupees (INR) which is Group's presentation and functional currency and all values are rounded to the nearest Crore (up to two decimals) except when otherwise indicated.

##### **1.2. BASIS OF CONSOLIDATION**

###### **1.2.1. Investment in associates and joint ventures**





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

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

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

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

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

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

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

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

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is



impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

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

### **1.2.2. Interest in Joint operations**

For the interest in joint operations, the Group recognises:

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

## **2. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS**

### **2.1. Property, Plant and Equipment (PPE)**

**2.1.1.** Property, Plant & Equipment (PPE) comprises of tangible assets and Capital Work in progress. PPE are stated at cost, net of tax credit availed and after reducing accumulated depreciation and accumulated impairment losses, if any. (except freehold lands which are carried at historical cost). The cost of an item of PPE comprises its purchase price, construction cost, including applicable taxes (net of credits) after deducting any discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located. These costs are capitalized until the asset is ready for use and includes borrowing cost capitalized in accordance with the Group's accounting policy.

**2.1.2.** The cost of an item of PPE is recognized as an asset if, and only if:

- (i) it is probable that future economic benefits associated with the item will flow to the entity; and
- (ii) the cost of the item can be measured reliably.

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

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





**2.1.5.** The acquisition of some items of PPE although not, directly increasing the future economic benefits of any particular existing item of PPE, may be necessary for the Group to obtain the future economic benefits from its other assets. Such items of PPE, are recognized as assets.

**2.1.6.** On transition to Ind AS, the Group has elected to continue with the carrying value of all of its PPE recognised as at 1<sup>st</sup> April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the PPE.

## **2.2. Capital Work in Progress (CWIP)**

### **A. Construction Period Expenses:**

**2.2.1.** Revenue expenses exclusively attributable to projects incurred during construction period are capitalized. However, such expenses in respect of capital facilities being executed along with the production/operations simultaneously and where the expenses are not attributable exclusively are charged to revenue.

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

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

### **B. Capital Stores**

**2.2.4.** Capital Stores are valued at cost. Specific provision is made for likely diminution in value, wherever required.

## **2.3. Intangible Assets & Amortisation**

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

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

**2.3.3.** 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 month in which such software / licenses are capitalised. However, where such computer software / license is



under development or is not yet ready for use, accumulated cost incurred on such items are accounted as "Intangible Assets Under Development".

- 2.3.4.** Right of ways with indefinite useful lives are not amortised, but tested for impairment annually at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.
- 2.3.5.** 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.
- 2.3.6.** The useful lives of Intangible Assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful life on straight line basis and assessed for impairment whenever there is an indication that the Intangible Asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on Intangible Assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.

- 2.3.7.** On transition to Ind AS, the Group has elected to continue with the carrying value of all of its Intangible Assets recognized as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.
- 2.3.8.** Amortization is charged pro-rata on monthly basis on assets, from/upto the month of capitalization/ sale, disposal/ or earmarked for disposal.

## **2.4. Depreciation**

- 2.4.1.** Cost of PPE (net of residual value) excluding freehold land is depreciated on straight-line method as per the useful life prescribed in Schedule II to the Act, except in case of the following assets:
  - a) Useful life of 25 years for solar power plant considered based on technical assessment
  - b) In case of specific agreements e.g. enabling assets etc., useful life as per agreement or Schedule II, whichever is lower





- c) In case of immovable assets constructed on leasehold land, useful life as per Schedule-II to the Act or lease period of land (including renewable period/ likely renewable period), whichever is lower
- d) In other cases like Spare Parts etc., useful life is considered based on the technical assessment

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

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

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

**2.4.3.** The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

## **2.5. Derecognition**

**2.5.1.** PPE and Intangible Assets are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE or Intangible Asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

## **3. LEASES**

**3.1.** The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### **3.1.1. Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.





In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, except for leases where the Group has elected to use practical expedient not to separate non-lease payments from the calculation of the lease liability and ROU asset where the entire consideration is treated as lease component.

### **3.1.2. Right-of-use Assets**

The Group recognises right-of-use (ROU) assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset as per 2.4 above.

- 3.1.3.** Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a re-measurement of the lease liability with a corresponding adjustment to the ROU asset. Any gain or loss on modification is recognized in the Statement of Profit and Loss. However, the modifications that increase the scope of the lease by adding the right to use one or more underlying assets at a price commensurate with the stand-alone selling price are accounted for as a separate new lease. In case of lease modifications, discounting rates used for measurement of lease liability and ROU assets is also suitably adjusted.

### **3.1.4. Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of Property, Plant and Equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

## **3.2. Leases as Lessor (assets given on lease)**





- 3.2.1.** When the Group acts as lessor, it determines at the commencement whether it is a finance lease or an operating lease.
- 3.2.2.** Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern of the benefit derived from the asset given on lease.
- 3.2.3.** All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Principal component of the lease receipts is adjusted against outstanding receivables and interest income is accounted by applying the interest rate implicit in the lease to the net investment. If an arrangement contains lease and non-lease components, the Group applies principles enunciated in Ind AS 115 "Revenue from Contracts with Customers", to allocate the consideration in the contract.
- 3.2.4.** When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Group applies the short term lease exemption described above, then it classifies the sub-lease as an operating lease.

#### **4. IMPAIRMENT OF NON-FINANCIAL ASSETS**

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

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 15 years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifteenth year. To estimate cash flow projections beyond periods covered by the most recent budgets / forecasts, the Group extrapolates cash flow



projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

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

## **5. BORROWING COSTS**

Borrowing cost consists of interest and other cost incurred in connection with the borrowing of funds. Borrowing costs that are attributable to the acquisition or construction of the qualifying asset are capitalized as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Capitalisation of borrowing costs is suspended when active development activity on the qualifying assets is interrupted other than on temporary basis and charged to the Statement of Profit and Loss during such extended periods. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which the same are incurred.

## **6. FOREIGN CURRENCY TRANSACTIONS**

- 6.1.** The Group's financial statements are presented in Indian Rupee (₹), which is also its functional currency.
- 6.2.** Transactions in foreign currency are initially recorded at spot exchange rates prevailing on the date of transactions.
- 6.3.** Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the end of reporting period, are translated at exchange rates prevailing on that date.
- 6.4.** Non-monetary items denominated in foreign currency, (such as PPE, intangible assets, investments, capital / revenue advances other than expected to be settled in cash etc.) are recorded at the exchange rate prevailing on the date of the transaction, other than those measured at fair value.
- 6.5.** Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit and Loss either under the head foreign exchange fluctuation or interest cost, as the case may be.

## **7. INVENTORIES**





## **7.1. Raw Materials & Stock-in-Process**

- 7.1.1.** Raw materials including crude oil are valued at cost determined on weighted average basis or net realizable value, whichever is lower.
- 7.1.2.** Stock in Process is valued at raw materials cost plus fifty percent conversion costs as applicable or net realizable value, whichever is lower.
- 7.1.3.** Crude oil in Transit is valued at cost or net realizable value, whichever is lower.
- 7.1.4.** Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

## **7.2. Finished Products and Stock-in-Trade**

- 7.2.1.** Finished Products and Stock in Trade are valued at cost determined on 'First in First Out' basis or net realizable value, whichever is lower. Cost of Finished Products produced is determined based on raw materials cost and processing cost.
- 7.2.2.** Imported products in transit are valued at cost or net realisable value whichever is lower.

## **7.3. Stores and Spares**

- 7.3.1.** Stores and Spares are valued at weighted average cost.
- 7.3.2.** In case of declared surplus/obsolete stores and spares, provision is made for likely loss on sale/disposal and charged to revenue. Further, provision is made to the extent of 97 per cent of the value of non-moving inventory of stores and spares (excluding 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 & CONTINGENT ASSETS**

### **8.1. Provisions**

- 8.1.1.** Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- 8.1.2.** When the Group expects some or all of a provision to be recovered from a third party, a receivable is recognised as a separate asset, but only when it is virtually certain and amount of the receivable can be measured reliably. The expense relating to a provision is presented in the Statement of Profit and Loss net of reimbursement, if any.



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

## **8.2. Contingent Liabilities and Contingent Assets**

**8.2.1.** Show-cause notices issued by various Government Authorities are generally not considered as obligations.

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

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

- a) a provision is recognized in respect of present obligations where the outflow of resources is probable as per 8.1.1 above;
- b) all other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

**8.2.4.** Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts and reviewed at each Balance Sheet date to reflect the current management estimate.

**8.2.5.** Estimated amount of contracts remaining to be executed towards capital expenditure are considered for disclosure.

**8.2.6.** A contingent asset is disclosed where an inflow of economic benefits is probable.

## **9. REVENUE**

### **REVENUE FROM CONTRACTS WITH CUSTOMERS**

**9.1.** The Group is in the business of Refining crude oil to produce and supply various petroleum products and it earns revenue primarily from sale of petroleum products.

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.





The Group has generally concluded that it is the principal in its revenue arrangements, except a few agency services, because it typically controls the goods or services before transferring them to the customer.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of products, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer (if any).

**9.2.** Revenue from the sale of petroleum products, petrochemical products, Crude and gas are recognised at a point in time, generally upon delivery of the products.

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

However, Sales Tax/ Goods and Services Tax (GST) and Value Added Tax (VAT) is not received by the Group on its own account. Rather, it is tax collected on value added to the product by the seller on behalf of the government. Accordingly, it is excluded from revenue.

#### **9.4. Variable consideration**

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

**9.5.** Interest income from financial assets is recognised using effective interest rate (EIR) method.

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

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



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

## **10. EXCISE DUTY**

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

## **11. TAXES ON INCOME**

### **11.1. Current Income Tax**

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

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

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

### **11.2. Deferred Tax**

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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





reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

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

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

## **12. EMPLOYEE BENEFITS**

### **12.1. Short Term Benefits**

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

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

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

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

c) Obligations on other long term employee benefits viz. leave encashment and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year. Out of these obligations, leave encashment obligations are funded through qualifying insurance policies made with insurance companies / corporation.

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

### **12.3. Termination Benefits**

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

### **12.4. Remeasurements**

Remeasurements, comprising of actuarial gains and losses, the effect of the 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 Other Comprehensive Income (OCI) in the period in which it occurs. Remeasurements are not reclassified to profit or loss in subsequent periods. Remeasurements in respect of other long-term benefits are recognised in the Statement of Profit and Loss.

Past service cost is recognised in profit or loss on the earlier of:

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

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

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

### **13. GRANTS**

**13.1.** Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

#### **13.2. Grant relating to Assets (Capital Grants)**

In case of grants relating to depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Deferred income which are recognized as "Other Operating Revenues" usually in the Statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

#### **13.3. Grant related to Income (Revenue Grants)**

Revenue grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises as expenses the related cost for which the grants are intended to compensate

The Group has treated waiver of duty under EPCG Scheme as revenue grant as the condition of meeting the export obligations is a primary condition of availing the grant as per the EPCG Scheme. The above grant is set up by recording the assets at gross value and corresponding grant amount as deferred income. Such grant is recognised in "Other Operating Revenues" in proportion of export obligations actually fulfilled during the accounting period.





Revenue grants are generally recorded under "Other Operating Revenues" except some grants, which are netted off with the related expense.

- 13.4.** When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate or NIL interest rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities. Classification of the grant is made considering the terms and condition of the grant i.e. whether grants relates to assets or otherwise.

#### **14. CURRENT VERSUS NON-CURRENT CLASSIFICATION**

- 14.1.** The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

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

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

All other assets are classified as non-current.

- 14.3.** A liability is treated as current when:

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

All other liabilities are classified as non-current.

#### **15. FINANCIAL INSTRUMENTS**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.



## **15.1. Financial Assets**

### **Initial recognition and measurement**

All Financial Assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the Financial Asset. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

### **Subsequent measurement**

For the purpose of subsequent measurement, Financial Assets are classified in four categories:

- Financial Assets at amortised cost
- Debt Instruments at fair value through Other Comprehensive Income (FVTOCI)
- Equity Instruments at fair value through Other Comprehensive Income (FVTOCI)

Financial Assets and derivatives at fair value through profit or loss (FVTPL)

#### **15.1.1. Financial Assets at amortised cost**

A Financial Asset is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows,
- and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

#### **15.1.2. Debt Instrument at FVTOCI**

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





- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent solely payments of principal and interest (SPPI).

Debt Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair Value movements are recognized in the Other Comprehensive Income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the Equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI Debt Instrument is reported as interest income using the EIR method.

### **15.1.3 Equity Instrument**

All equity investments in scope of Ind AS 109 are measured at fair value. The Group has made an irrevocable election to present subsequent changes in the fair value in Other Comprehensive Income. The classification is made on initial recognition/transition and is irrevocable.

There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investments.

### **15.1.4 Debt Instruments and Derivatives at FVTPL**

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

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

Debt Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Interest income on such instruments has been presented under interest income

### **15.1.5. Derecognition**

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

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without



material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

#### **15.1.6. Impairment of Financial Assets**

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

- a) Financial Assets that are Debt Instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial guarantee contracts which are not subsequently measured as at FVTPL
- c) Lease Receivables under Ind AS 116

#### **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-months ECL is used to provide for impairment loss. However,





if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-months ECL.

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

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.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense /income/ in the Statement of Profit and Loss. The Balance Sheet presentation for various financial instruments is described below:

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

## 15.2. Financial Liabilities

### 15.2.1. Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of liabilities subsequently measured at amortised cost, they are measured net of directly attributable transaction cost. In case of Financial Liabilities measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of financial liabilities are recognised immediately in the Statement of Profit and Loss.

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



### 15.2.2. Subsequent measurement

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

#### **A. Financial Liabilities at fair value through profit or loss**

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

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss

#### **B. Financial Liabilities at amortized cost**

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

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

### 15.2.3. Derecognition

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

### 15.3. Embedded Derivatives

If the hybrid contract contains a host that is a Financial Asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it





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

#### **15.4. Offsetting of Financial Instruments**

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

#### **15.5. Derivative Instrument Initial recognition / subsequent measurement**

**15.5.1.** The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The accounting for subsequent changes in fair value of derivatives depends on the designation or non- designation of derivative as hedging instruments. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

#### **15.5.2. Derivative that are designated as hedge instrument**

The Group undertakes foreign exchange forward contracts for hedging foreign currency risk of recognized foreign currency loans and liabilities. The Group generally designates the whole forward contract as hedging instrument. These hedges are accounted for as cash flow hedges. These hedging instruments are as per the policies approved by the Board of Directors.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to



changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that the hedge is actually have been highly effective throughout the financial reporting periods for which it was designated.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in Other Comprehensive Income and accumulated under the heading Cash Flow Hedge Reserve within Equity. The gain or loss relating to the ineffective potion is recognized immediately in the Statement of Profit and Loss and included in the Other Income or Other Expenses as Gain on Derivatives or Loss on Derivatives respectively.

Amounts previously recognized in OCI and accumulated in equity relating to effective portion are reclassified to Statement of Profit and Loss in the periods when the hedged item affects profit or loss, in the same line item as the recognized hedged item or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting.

### **15.5.3. Derivatives that are not designated as hedge instrument**

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through the Statement of Profit and Loss and are included in the Other Income or Other Expenses as Gain on Derivatives or Loss on Derivatives respectively.

### **15.6. Commodity contracts**

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

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

## **16. FAIR VALUE MEASUREMENT**

- 16.1.** 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.





- 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 Group.
- 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 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.
- 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 Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

In case of Level 3 valuations, external valuers are also involved in some cases for valuation of assets and liabilities, such as unquoted financial assets, loans to related parties etc.,

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.

## **17. EARNINGS PER SHARE**

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the



weighted average number of equity shares outstanding during the year. The Group did not have any potentially dilutive securities in the years presented.

## **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.

## **III. New Standards / amendments and other changes effective April 1, 2021**

Amendments to IND – AS have been notified by way of (Indian Accounting Standards) Amendment Rules, 2021 vide MCA notification dated 18<sup>th</sup> June 2021.

The amendments to IND-AS are clarificatory in nature including disclosures, practical expedients etc. These amendments do not have a material impact on the Group

## **IV. STANDARDS ISSUED BUT NOT YET EFFECTIVE**

On March 23, 2022, Ministry of Corporate Affairs amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable effective from annual periods beginning on or after April 1, 2022. The Group has assessed the impact of these amendments and is not expected to have any material impact on the Group.





**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note – 1B : SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

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

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

**JUDGEMENTS**

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

**Contingencies**

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

**ESTIMATES AND ASSUMPTIONS**

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

**Defined benefit plans / Other Long term employee benefits**

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

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

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

**Fair value measurement of financial instruments**

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

**Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less cost of disposal used to determine the recoverable amounts of the impaired assets are not based on observable market data, rather, management's best estimates.

The value in use calculation is based on a DCF model. The cash flows do not include impact of significant future investments that may enhance the asset's performance of the CGU being tested. The results of impairment test are sensitive to changes in key judgements, such as changes in commodity prices, future changes in alternate use of assets etc, which could result in increase or decrease of the recoverable amounts and result in additional impairment charges or recovery of impairment charged.

Refer Note 44.2



**CHENNAI PETROLEUM CORPORATION LIMITED**  
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**Note – 2 : PROPERTY, PLANT AND EQUIPMENT**

**Current Year:**

**₹ In Crore**

	Particulars	Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant and Equipment	Office Equipments	Transport Equipments	Furniture and Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	ROU assets	Total
GROSS BLOCK	Note: A Gross Block as at 1st April 2021	49.08	5.92	204.52	9040.55	43.30	10.43	7.11	Note: C -	20.31	26.63	9407.85
	Additions during the Year (Note: E)	-	-	0.14	349.21	7.16	0.13	0.84	-	-	2.61	360.09
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications/Revaluation (Note: D)	-	-	(3.36)	(124.40)	(4.64)	-	(0.96)	-	-	-	(133.36)
	<b>Gross Block as at 31st March 2022</b>	<b>49.08</b>	<b>5.92</b>	<b>201.30</b>	<b>9265.36</b>	<b>45.82</b>	<b>10.56</b>	<b>6.99</b>	<b>-</b>	<b>20.31</b>	<b>29.24</b>	<b>9634.58</b>
DEPRECIATION, AMORTISATION AND IMPAIRMENT	Depreciation and Amortisation as at 1st April 2021	-	0.42	37.19	2103.89	24.73	3.58	3.28	-	6.17	9.48	2188.74
	Depreciation and Amortisation during the Year:	-	0.07	6.03	478.99	6.91	0.95	0.62	-	0.91	6.27	500.75
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications/Revaluation (Note: D)	-	-	(0.51)	(74.52)	(3.37)	-	(0.43)	-	-	-	(78.83)
	<b>Total Depreciation and Amortisation upto 31st March 2022</b>	<b>-</b>	<b>0.49</b>	<b>42.71</b>	<b>2508.36</b>	<b>28.27</b>	<b>4.53</b>	<b>3.47</b>	<b>-</b>	<b>7.08</b>	<b>15.75</b>	<b>2610.66</b>
	Total Impairment Loss as at 1st April 2021	-	-	19.01	103.27	-	-	-	-	0.27	-	122.55
	Impairment Loss during the Year (Note: D)	-	-	(2.85)	(19.95)	-	-	-	-	-	-	(22.80)
	Impairment loss reversed during the Year	-	-	-	-	-	-	-	-	-	-	-
NET BLOCK	<b>Total Impairment Loss upto 31st March 2022</b>	<b>-</b>	<b>-</b>	<b>16.16</b>	<b>83.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.27</b>	<b>-</b>	<b>99.75</b>
	<b>AS AT 31st March 2022</b>	<b>49.08</b>	<b>5.43</b>	<b>142.43</b>	<b>6673.68</b>	<b>17.55</b>	<b>6.03</b>	<b>3.52</b>	<b>-</b>	<b>12.96</b>	<b>13.49</b>	<b>6924.17</b>
	AS AT 31st March 2021	49.08	5.50	148.32	6833.39	18.57	6.85	3.83	-	13.87	17.15	7096.56

**Previous Year:**

**₹ In Crore**

	Particulars	Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant and Equipment	Office Equipments	Transport Equipments	Furniture and Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	ROU assets	Total
GROSS BLOCK	Gross Block as at 1st April 2020	48.95	5.92	179.37	8560.49	38.09	11.90	7.10	-	20.31	16.80	8888.93
	Additions during the Year (Note: E)	0.13	-	17.45	567.02	6.89	-	0.87	-	-	9.83	602.19
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications/Revaluation	-	-	7.70	(86.96)	(1.68)	(1.47)	(0.86)	-	-	-	(83.27)
	<b>Gross Block as at 31st March 2021</b>	<b>49.08</b>	<b>5.92</b>	<b>204.52</b>	<b>9040.55</b>	<b>43.30</b>	<b>10.43</b>	<b>7.11</b>	<b>-</b>	<b>20.31</b>	<b>26.63</b>	<b>9407.85</b>
DEPRECIATION, AMORTISATION AND IMPAIRMENT	Depreciation and Amortisation as at 1st April 2020	-	0.35	30.27	1691.03	20.86	2.88	3.14	-	5.20	3.84	1757.57
	Depreciation and Amortisation during the Year:	-	0.07	6.55	440.00	7.10	1.45	0.72	-	0.97	5.64	462.50
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications/Revaluation	-	-	0.37	(27.14)	(3.23)	(0.75)	(0.58)	-	-	-	(31.33)
	<b>Total Depreciation and Amortisation upto 31st March 2021</b>	<b>-</b>	<b>0.42</b>	<b>37.19</b>	<b>2103.89</b>	<b>24.73</b>	<b>3.58</b>	<b>3.28</b>	<b>-</b>	<b>6.17</b>	<b>9.48</b>	<b>2188.74</b>
	Total Impairment Loss as at 1st April 2020	-	-	19.01	99.57	-	-	-	-	0.27	-	118.85
	Impairment Loss during the Year (Note: D)	-	-	-	3.70	-	-	-	-	-	-	3.70
	Impairment loss reversed during the Year	-	-	-	-	-	-	-	-	-	-	-
NET BLOCK	<b>Total Impairment Loss upto 31st March 2021</b>	<b>-</b>	<b>-</b>	<b>19.01</b>	<b>103.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.27</b>	<b>-</b>	<b>122.55</b>
	<b>AS AT 31st March 2021</b>	<b>49.08</b>	<b>5.50</b>	<b>148.32</b>	<b>6833.39</b>	<b>18.57</b>	<b>6.85</b>	<b>3.83</b>	<b>-</b>	<b>13.87</b>	<b>17.15</b>	<b>7096.56</b>
	AS AT 31st March 2020	48.95	5.57	130.09	6769.89	17.23	9.02	3.96	-	14.84	12.96	7012.51

**Notes :**

A. Gross block of Land includes ₹ 0.18 Crore deposited towards 50.93 acres of Land for which assignment deed is yet to be received from Govt. of TamilNadu.

B. The cost of assets includes EPCG benefit (net of GST ITC), net of VAT CREDIT/CENVAT/GST ITC wherever applicable

C. Represents 5/24 share of total cost of the Railway Siding jointly owned by the Company along with Madras Fertilizers Limited, Madras Petrochem Limited, Steel Authority of India Limited and Rashtriya Ispat Nigam Limited. Net block of Railway Sidings - ₹ 0.003 Crore (2021 : ₹ 0.003 Crore)

D. Pertains to Cauvery Basin Refinery (refer Note 44.2)

E. Additions to Gross Block includes :

**₹ In Crore**

Asset Particulars	Borrowing Cost	
	31-Mar-22	31-Mar-21
Plant and Equipment	1.04	26.00
<b>Total</b>	<b>1.04</b>	<b>26.00</b>

**Details of assets given on lease included in the above:**

**₹ in Crore**

Asset Particulars	Gross Block as at 1st April 2021	Accumulated Depreciation & Amortisation	Accumulated Impairment loss	W.D.V as at March 31,2022	W.D.V as at March 31,2021
Land	5.32	-	-	5.32	5.32
Buildings	0.40	0.05	0.17	0.18	0.18
Plant and Equipment	4.27	1.36	-	2.91	2.83
<b>Total</b>	<b>9.99</b>	<b>1.41</b>	<b>0.17</b>	<b>8.41</b>	<b>8.33</b>





**CHENNAI PETROLEUM CORPORATION LIMITED**  
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**Note – 2.1 : CAPITAL WORK-IN-PROGRESS**

₹ in Crore

Sl. No	Particulars	Note	31-Mar-22	31-Mar-21
1	Construction Work in Progress - Property, Plant & Equipment (Including unallocated capital expenditure, materials at site)			
	Balance as at beginning of the year		1082.75	1243.25
	Add: Additions during the year		363.25	354.72
	Less: Allocated / Adjusted during the year		139.57	515.22
	Less: Transfer to disposal group held for transfer	A	253.82	-
			1052.61	1082.75
	Less: Provision for Capital Losses		1.51	1.51
	Less: Impairment Loss	B	-	0.22
			<b>1051.10</b>	1081.02
2	Capital stores balance as at beginning of the year		33.12	10.30
	Add: Additions during the year		18.73	71.56
	Less: Allocated / Adjusted during the year		39.18	48.74
			12.67	33.12
	Less: Provision for Capital Losses		3.30	3.30
	Capital stores		<b>9.37</b>	29.82
3	Capital Goods in Transit		<b>0.21</b>	36.72
4	Construction Period Expenses pending allocation:			
	Balance as at beginning of the year		161.07	120.73
	Net expenditure during the year (Note -"2.2")		107.39	81.96
			268.46	202.69
	Less: Allocated / Adjusted during the year		14.56	41.62
	Less: Transfer to disposal group held for transfer	A	105.03	-
			<b>148.87</b>	161.07
	<b>TOTAL</b>	<b>C</b>	<b>1209.55</b>	1308.63

**Notes :**

- A Refer Note - 44.1  
B Pertains to Cauvery Basin Refinery (refer Note 44.2)  
C The cost of assets includes EPCG benefit (net of GST ITC), net of VAT CREDIT/CENVAT/GST ITC wherever applicable

**Note – 2.2 : CONSTRUCTION PERIOD EXPENSES(NET) DURING THE YEAR**

₹ in Crore

Particulars	31-Mar-22	31-Mar-21
1 Employee Benefit expenses	<b>38.84</b>	24.94
2 Power & Fuel	<b>1.10</b>	0.65
3 Finance Cost	<b>51.40</b>	47.04
4 Others (incl. CER expenses)	<b>16.05</b>	9.33
<b>Net Expenditure during the year</b>	<b>107.39</b>	81.96
Specific borrowings eligible for capitalisation (Rate in %)	5.44% to 6.43%	5.68% to 7.85%



**CHENNAI PETROLEUM CORPORATION LIMITED**  
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**Current Year :**

**₹ in Crore**

Capital Work-In-Progress	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	161.45	291.62	506.28	250.20	1209.55

**Previous Year :**

**₹ in Crore**

Capital Work-In-Progress	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	448.82	569.92	172.78	117.11	1308.63

**Note:** No Project activity is under suspension

**Capital-work-in progress, whose completion is overdue compared to its original plan**

**Current Year :**

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
BS VI PROJECTS	921.45	-	-	-
RESID - COKE HANDLING SYSTEM	223.41	-	-	-
COOLING TOWER	42.90	-	-	-
Others	10.58	-	-	-
<b>Total</b>	<b>1198.34</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Previous Year :**

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
BS VI PROJECTS		804.63	-	-
GASIFIED LIQUEFIED NATURAL GAS (RLNG)	96.67	-	-	-
RESID - COKE HANDLING SYSTEM		206.37	-	-
COOLING TOWER		39.04	-	-
OTHERS	9.19	0.01	-	-
<b>Total</b>	<b>105.86</b>	<b>1,050.05</b>	<b>-</b>	<b>-</b>

**Note:** No cost overdue in above projects





**CHENNAI PETROLEUM CORPORATION LIMITED**  
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**Note - 3 : INTANGIBLE ASSETS**  
**(1) Intangible assets with definite useful life**

**Current Year:**

₹ in Crore

	Particulars	Computer Software	Technical Know-How, Royalty and Licenses	Total
GROSS BLOCK	Gross Block as at 1st April 2021	2.27	52.87	55.14
	Additions during the Year	0.31	-	0.31
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	(0.03)	-	(0.03)
	<b>Gross Block as at 31st March 2022</b>	<b>2.55</b>	<b>52.87</b>	<b>55.42</b>
AMORTISATION AND IMPAIRMENT (A)	Amortisation as at 1st April 2021	1.66	7.85	9.51
	Amortisation during the Year	0.39	3.07	3.46
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	(0.01)	-	(0.01)
	<b>Total and Amortisation upto 31st March 2022</b>	<b>2.04</b>	<b>10.92</b>	<b>12.96</b>
	Total Impairment Loss as at 1st April 2021	0.02	-	0.02
	Impairment Loss during the Year	-	-	-
	Impairment loss reversed during the Year	(0.02)	-	(0.02)
	<b>Total Impairment Loss upto 31st March 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>
NET BLOCK	<b>AS AT 31st March 2022</b>	<b>0.51</b>	<b>41.95</b>	<b>42.46</b>
	AS AT 31st March 2021	0.59	45.02	45.61

**Previous Year:**

₹ in Crore

	Particulars	Computer Software	Technical Know-How, Royalty and Licenses	Total
GROSS BLOCK	Gross Block as at 1st April 2020	1.08	26.71	27.79
	Additions during the Year	0.62	26.16	26.78
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	0.57	-	<b>0.57</b>
	<b>Gross Block as at 31st March 2021</b>	<b>2.27</b>	<b>52.87</b>	<b>55.14</b>
AMORTISATION AND IMPAIRMENT (A)	Amortisation as at 1st April 2020	0.9	5.27	6.17
	Amortisation during the Year	0.71	2.58	3.29
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	0.05	-	<b>0.05</b>
	<b>Total and Amortisation upto 31st March 2021</b>	<b>1.66</b>	<b>7.85</b>	<b>9.51</b>
	Total Impairment Loss as at 1st April 2020	0.02	-	0.02
	Impairment Loss during the Year	0	-	-
	Impairment loss reversed during the Year	-	-	-
	<b>Total Impairment Loss upto 31st March 2021</b>	<b>0.02</b>	<b>-</b>	<b>0.02</b>
NET BLOCK	<b>AS AT 31st March 2021</b>	<b>0.59</b>	<b>45.02</b>	<b>45.61</b>
	AS AT 31st March 2020	0.16	21.44	21.60



**(2) Intangible assets with indefinite useful life****Current year:**

₹ in Crore

		<b>Right of Way</b>
<b>GROSS BLOCK</b>	Gross Block as at 1st April 2021	0.27
	Additions during the Year	-
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-
	<b>Gross Block as at 31st March 2022</b>	<b>0.27</b>
<b>AMORTISATION AND IMPAIRMENT (A)</b>	Total Impairment Loss as at 1st April 2021	0.27
	Impairment Loss during the Year	-
	Impairment loss reversed during the Year	-
	<b>Total Impairment Loss upto 31st March 2022</b>	<b>0.27</b>
<b>NET BLOCK</b>	<b>AS AT 31st March 2022</b>	-
	AS AT 31st March 2021	-

**Previous year:**

₹ in Crore

	<b>Particulars</b>	<b>Right of Way</b>
<b>GROSS BLOCK</b>	Gross Block as at 1st April 2020	0.27
	Additions during the Year	-
	Disposals/ Deductions/ Transfers to Held for Sale/ Reclassifications	-
	<b>Gross Block as at 31st March 2021</b>	<b>0.27</b>
<b>AMORTISATION AND IMPAIRMENT (A)</b>	Total Impairment Loss as at 1st April 2020	0.27
	Impairment Loss during the Year	-
	Impairment loss reversed during the Year	-
	<b>Total Impairment Loss upto 31st March 2021</b>	<b>0.27</b>
<b>NET BLOCK</b>	<b>AS AT 31st March 2021</b>	-
	AS AT 31st March 2020	-

Note :

(A) Pertains to Cauvery Basin Refinery (refer Note 44.2)





**CHENNAI PETROLEUM CORPORATION LIMITED**  
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**Note – 3.1 : INTANGIBLE ASSETS UNDER DEVELOPMENT**

		₹ in Crore	
Particulars	31-Mar-22	31-Mar-21	
Work in Progress - Intangible Asset:			
Balance as at beginning of the year	241.80	222.29	
Add: Net expenditure during the year	17.56	19.51	
Less: Transfer to Asset held for transfer	A		
	259.36		
	-	241.80	
<b>TOTAL</b>	<b>-</b>	<b>241.80</b>	

Note :

A. Refer Note 44.1

Current Year :		₹ in Crore				
Intangible Assets Under Development	Amount in CWIP for a period of					
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
NIL						

Previous Year :		₹ in Crore			
Intangible Assets Under Development	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
CBR 9MMTPA	19.51	144.30	77.99	-	241.80

**Note:**

No Project activity is under suspension

There has been no cost / Time over run in respect of the above



**CHENNAI PETROLEUM CORPORATION LIMITED**  
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**Note – 4 : EQUITY INVESTMENT IN JOINT VENTURES**

₹ in Crore

Sl. No	Particulars	No. and Particulars	Face Value per share (₹)	Non-current	
				31-Mar-22	31-Mar-21
<b>I</b>	<b>Investments in equity shares</b>				
<b>1 Unquoted:</b>					
<b>a) Investment in Joint Venture Companies:</b>					
i) Indian Additives Ltd.	1183401 Equity Shares fully paid	100		<b>11.83</b>	11.83
Add: Share of Other Equity (inclusive of OCI)				<b>196.61</b>	186.68
ii) National Aromatics and Petrochemical Corporation Limited	25000 Equity Shares fully paid	10		<b>0.03</b>	0.03
Add: Share of Other Equity (inclusive of OCI)		<b>A</b>		<b>(0.03)</b>	(0.03)
				-	-
<b>TOTAL</b>				<b>208.44</b>	198.51
<b>Aggregate value of unquoted investments</b>				<b>208.47</b>	198.54
<b>Aggregate amount of impairment in value of investments</b>				<b>0.03</b>	0.03

**Note – 4.1 : OTHER INVESTMENTS**

Sl. No	Particulars	No. and Particulars	Face Value per share (₹)	Non-current	
				31-Mar-22	31-Mar-21
<b>I</b>	<b>Other Investments:</b>				
	<b>Investments at fair value through OCI (fully paid):</b>				
<b>a)</b>	Biotech Consortium India Ltd	100000 Equity Shares fully paid	10	<b>0.10</b>	0.10
<b>b)</b>	MRL Industrial Cooperative Service Society Ltd	9000 Shares fully paid	10	<b>0.01</b>	0.01
	<b>TOTAL</b>		<b>B</b>	<b>0.11</b>	0.11
	<b>Aggregate value of unquoted investments</b>			<b>0.11</b>	0.11
	<b>Aggregate amount of impairment in value of investments</b>			-	-

Note :

**A** National Aromatics and Petrochemical Corporation Limited is not operational. The company has decided to exit from the JV and the process in this regard is already initiated.

**B** Fair Value approximates carrying value





CHENNAI PETROLEUM CORPORATION LIMITED  
CONSOLIDATED FINANCIAL STATEMENTS  
Note - 5 : LOANS

Note – 5 : LOANS				
Sl. No	Particulars	Note	₹ In Crore	
			Non-current 31-Mar-22	Current 31-Mar-21
<b>1 Loans Receivables:</b>				
To Related Parties				
i)	Considered Good -Secured	A.1	0.29	0.15
ii)	Considered Good -Unsecured	A.2	0.08	0.11
			<b>0.37</b>	<b>0.07</b>
To Others				
i)	Considered Good -Secured		54.18	46.09
ii)	Considered Good -Unsecured		6.03	6.99
			<b>60.21</b>	<b>53.08</b>
	<b>Sub Total</b>		<b>60.58</b>	<b>53.34</b>
	<b>TOTAL</b>		<b>60.58</b>	<b>53.34</b>

Notes :

A.1 Includes:

- 1 Due from Directors
- 2 Due from Officers

A.2 Includes:

- 1 Due from Directors
- 2 Due from Officers

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

	Amount as on		Maximum Amount outstanding during the year ended
	31-Mar-22	31-Mar-21	
I. Loans and Advances in the nature of loans:			
A) To Parent Company	-	-	-
B) To Associates /Joint Venture	-	-	-
C) To Firms/Companies in which directors are interested	-	-	-

Current Year :

Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	-	-
Directors	0.38	0.5%
KMPs	0.06	0.1%
Related Parties	-	-

Previous Year :

Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	-	-
Directors	0.24	0.4%
KMPs	0.08	0.1%
Related Parties	-	-



**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note - 6 : OTHER FINANCIAL ASSETS**

NOTE - 6 : OTHER FINANCIAL ASSETS					₹ in Crore	
Sl. No	Particulars	Note	Non-current		Current	
			31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
<b>1 Security Deposits</b>						
	To Others					
	i) Unsecured, Considered Good		<b>1.45</b>	1.34	<b>12.46</b>	21.95
<b>2</b>	<b>Deposit for Leave Encashment Fund</b>		<b>128.06</b>	111.08	-	-
<b>3 Claims Recoverable :</b>						
<b>a) From Related Parties</b>						
	i) Unsecured, Considered Good	<b>A</b>	-	-	-	0.89
	ii) Unsecured, Considered Doubtful		-	-	22.66	22.66
			-	-	22.66	23.55
	Less : Provision for Doubtful Claims				12.53	12.53
	Less : Share of Other Equity (JV-National Aromatics and Petrochemicals Corporation Limited)				10.13	10.13
	<b>Sub Total</b>		-	-	-	0.89
<b>b) Others</b>						
	i) Unsecured, Considered Good		-	-	17.30	16.41
	ii) Unsecured, Considered Doubtful		-	-	5.89	5.89
			-	-	23.19	22.30
	Less : Provision for Doubtful Claims		-	-	5.89	5.89
	<b>Sub Total</b>		-	-	<b>17.30</b>	<b>16.41</b>
<b>4</b>	<b>Other Financial Assets</b>		-	-	<b>33.38</b>	0.54
	<b>TOTAL</b>		<b>129.51</b>	112.42	<b>63.14</b>	39.79

**A** Pertains to Indian Oil Corporation Ltd., the holding company





**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note - 7 : INCOME TAX ASSETS/ LIABILITIES (NET)**

Particulars	Non - Current		Current	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
<b>Income Tax Asset / (Liability) - Net</b>				
Advance payments for Income Tax	412.22	705.69	-	-
Less: Provision for Income Tax	340.77	654.63	-	-
Income Tax Asset / (Liability) - Net	<b>71.45</b>	<b>51.06</b>	-	-
<b>TOTAL</b>	<b>71.45</b>	<b>51.06</b>	-	-

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

Note	31-Mar-22	31-Mar-21
<b>Accounting profit</b>		
<b>Tax at the applicable tax rate of 25.17% (31.3.2021: 25.17%)</b>	<b>25.17%</b>	<b>25.17%</b>
Tax effect of income that are not taxable in determining taxable profit:	0.08%	-
Tax effect of expenses that are not deductible in determining taxable profit:	0.45%	0.69%
Tax expense /income related to prior years :	2.02%	-
Tax effect on recognition of previously unrecognised allowances / disallowances :	(1.36%)	0.27%
Tax effect due to Change in applicable Tax rates :	-	53.52%
<b>Tax expense</b>	<b>26.57%</b>	<b>80.15%</b>

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

	As at 31-Mar-20	Provided during the Year 2020-21	Provided during the Year in OCI 2020-21	As at 31-Mar-21	Provided during the Year 2021-22	As at 31-Mar-22
<b>Deferred tax liability:</b>						
Related to Property, Plant & Equipment (Depreciation)	1157.32	(397.95)	-	759.37	35.05	794.42
43B Disallowances , Gratuity etc.	(19.86)	10.09	(1.94)	11.71	25.69	6.29
<b>Total deferred tax liability (A)</b>	<b>1137.46</b>	<b>(387.86)</b>	<b>(1.94)</b>	<b>747.66</b>	<b>60.74</b>	<b>800.71</b>
<b>Deferred tax assets:</b>						
Carry forward Business Loss/Unabsorbed Depreciation	1,456.26	(822.20)	-	634.06	(475.20)	158.86
Provision on Inventories, Trade Receivables, Loans and advances, CWIP , Investments etc.	14.73	(4.65)	-	10.08	68.68	78.76
MAT Credit Entitlement	599.99	(599.99)	-	-	-	-
<b>Total deferred tax assets (B)</b>	<b>2070.98</b>	<b>(1426.84)</b>	<b>-</b>	<b>644.14</b>	<b>(406.52)</b>	<b>237.62</b>
<b>Deferred Tax Liability (Net) (A - B)</b>	<b>(933.52)</b>	<b>1038.98</b>	<b>(1.94)</b>	<b>103.52</b>	<b>467.26</b>	<b>563.09</b>

The recognition of deferred tax assets / liability is based on the "Asset and liability method", determined on the basis of difference between the financial statement and tax bases of the assets and liabilities, by using the enacted tax rates applicable to the company.

The deferred taxes are recognised to the extent, they are more likely than not to be realised, based on the best estimates as at the balance sheet date. In making such estimates all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income and pricing assumptions based on the past trend are considered. Such estimates are subject to significant fluctuations in earnings and timing of such earnings.



CHENNAI PETROLEUM CORPORATION LIMITED  
CONSOLIDATED FINANCIAL STATEMENTS  
Note - 8 : OTHER ASSETS

Sl. No	Particulars	Note	Non-current		Current	
			31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
<b>1 Advance for Capital Expenditure</b>						
<b>a) To Related Parties</b>						
	i) Unsecured, Considered Good		-	-	-	-
<b>b) To Others</b>						
	i) Unsecured, Considered Good		0.75	2.15	-	-
	Less: Transfer to Asset held for transfer	A	0.24		-	-
			0.51	2.15	-	-
<b>2 Advances</b>						
	a) To Others		-	-	44.78	50.45
	i) Unsecured, Considered Good		-	-	-	-
<b>3 Claims Recoverable :</b>						
<b>From Custom, Excise, Sales tax, Income Tax dept &amp; Others</b>						
	i) Unsecured, Considered Good		-	-	279.52	210.42
<b>4 GST-ITC recoverable</b>						
			-	-	11.93	13.10
<b>5 Balance with Customs, Port Trust and Excise Authorities:</b>						
	i) Unsecured, Considered Good		-	-	0.53	6.11
<b>6 Gold / Other Precious Metals</b>						
			-	-	19.67	9.10
<b>7 Deferred Expenses</b>						
			37.85	27.87	3.29	2.82
<b>8 Other Assets</b>						
		B	44.37	30.24	17.46	-
	<b>TOTAL</b>		82.73	60.26	377.18	292.00

Note :

A Refer Note 44.1

B Non current asset pertains to land given on lease related to Indian Oil Corporation Ltd., the holding company





**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note - 9 : INVENTORIES**

		₹ in Crore	
Sl. No	Particulars	31-Mar-22	31-Mar-21
<b>1 In Hand :</b>			
a.	Stores, Spares etc.	324.43	337.58
	Less : Provision for Losses	<u>42.83</u>	<u>40.05</u>
		<b>281.60</b>	297.53
b.	Raw Materials	<b>3373.29</b>	1518.69
c.	Finished Products	<b>2456.19</b>	1935.22
d.	Stock in Process	<b>1006.28</b>	299.96
		<b>7117.36</b>	4051.40
<b>2 In Transit :</b>			
a.	Stores & Spares etc.	<b>8.54</b>	7.47
b.	Raw Materials	<b>406.61</b>	449.99
		<b>415.15</b>	457.46
	<b>TOTAL</b>	<b>7532.51</b>	4508.86

Amount of write down of inventories to NRV and recognised as expense - 81.57

Valuation of Inventories are done as per sl. no.7 of Significant accounting policies (Note-1A).



**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note – 10 : TRADE RECEIVABLES**

		₹ in Crore	
Particulars	Note	31-Mar-22	31-Mar-21
<b>a) From Related Parties</b>			
i) Considered Good - Unsecured	(i)	179.08	114.42
<b>b) From Others</b>			
i) Considered Good -Unsecured		73.24	85.56
		<b>252.32</b>	<b>199.98</b>
<b>TOTAL</b>	<b>A</b>	<b>252.32</b>	<b>199.98</b>

Notes :

- (i) Includes receivables from Indian Oil Corporation Ltd., the holding company ₹ 178.72 Crore (2021: ₹ 113.66 Crore) and receivables from Indian Additives Limited, Joint Venture Company ₹ 0.36 Crore (2021: ₹ 0.76 Crore).

**A Offsetting Financial Assets and Financial Liabilities:**

The following table presents the recognised financial instruments that are offset as at 31st March 2022 and 31st March 2021

Particulars	Effects of offsetting on the balance sheet		
	Gross Amount	Gross Amounts set off in the balance sheet	Net Amounts presented in the balance sheet
<b>31-03-2022</b>			
<b>Financial Assets</b>			
Trade receivables	3242.96	2990.64	252.32
<b>Financial Liabilities</b>			
Trade Payables	6230.70	2990.64	3240.06
<b>31-03-2021</b>			
<b>Financial Assets</b>			
Trade receivables	1489.66	1289.68	199.98
<b>Financial Liabilities</b>			
Trade Payables	3171.66	1289.68	1881.98

**Offsetting Arrangements**

The Trade receivables and payables to the extent being settled on net basis with Indian Oil Corporation Limited have been offset.

**Trade receivables - Ageing**

**Current Year :**

Particulars	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables considered good	249.60	-	2.72	-	-	252.32

**Previous Year :**

Particulars	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables considered good	196.59	3.27	0.07	0.04	-	199.98





**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note - 11 : CASH AND CASH EQUIVALENTS**

₹ in Crore

Sl. No	Particulars	31-Mar-22	31-Mar-21
<b>1</b>	<b>Bank Balances with Scheduled Banks :</b>		
	Current Account	8.33	1.15
	<b>TOTAL</b>	<b>8.33</b>	<b>1.15</b>

**Note - 12 : OTHER BANK BALANCES**

₹ in Crore

Particulars	Note	31-Mar-22	31-Mar-21
<b>1</b> Earmarked Balances	<b>A</b>	<b>3.67</b>	<b>3.68</b>
<b>TOTAL</b>		<b>3.67</b>	<b>3.68</b>

**Note :**

A) Pertains to Unpaid dividend (Refer note 16 - Sl.No.5)



**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note – 13 : EQUITY SHARE CAPITAL**

		₹ in Crore	
Particulars	Note	31-Mar-22	31-Mar-21
<b><u>Authorized:</u></b>			
<b><u>Equity:</u></b>			
40,00,00,000 (2021: 40,00,00,000) Equity Shares of ₹ 10 each		400.00	400.00
<b><u>Preference:</u></b>			
100,00,00,000 (2021:100,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each		1000.00	1000.00
		<b>1400.00</b>	<b>1400.00</b>
<b><u>Issued :</u></b>			
<b><u>Equity:</u></b>			
14,89,11,400 (2021: 14,89,11,400) Equity Shares of ₹ 10 each	(i)	148.91	148.91
<b><u>Preference:</u></b>			
50,00,00,000 (2021: 50,00,00,000;) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each	(ii)	500.00	500.00
		<b>648.91</b>	<b>648.91</b>
<b><u>Subscribed, Called-up and fully Paid-up :</u></b>			
14,89,11,400 (2021: 14,89,11,400) Equity shares of ₹10 each	(i)	<b>148.91</b>	148.91
Total Paid up Equity share Capital		<b>148.91</b>	148.91
<b>TOTAL</b>		<b>148.91</b>	<b>148.91</b>

**Notes :**

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

(B) The Shareholders of the Company at the General meeting held on 24th August 2018 has accorded approval for

a) Cancellation of unsubscribed equity share capital of ₹ 20.87 Crore consisting of 2,08,68,900 equity shares of ₹ 10/- each, comprising of partial subscription to Rights Issue made by the company in 1984, by the Government of India and non-subscription by Amoco India Inc., to the Rights Issue made by the company in 1984;

b) Cancellation of 2,19,700 forfeited equity shares of ₹ 10/- each totaling ₹ 0.22 Crore (1,87,900 equity shares forfeited on 26.09.2003 and 31,800 equity shares forfeited on 26.10.2006)

(ii) Based on special resolution passed by the shareholders through postal ballot on 16.07.2015, the company has allotted 100 Crore Non Convertible Cumulative Redeemable Preference Shares of ₹ 10 each for cash at par amounting to ₹ 1000 Crore to Indian Oil Corporation Ltd, the holding company on private placement preferential allotment basis on 24.09.2015 after receipt of full subscription amount.

Preference shares to the extent of ₹ 500 crore, out of the total outstanding amount of ₹ 1000 crore were redeemed on 06.06.2018. Accordingly the outstanding amount as at 31.03.2022 is ₹ 500 crore.

Preference Shares classified as financial liability (long term borrowing) as per Ind AS 32 - Refer note - 15(D)





**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note - 13 : EQUITY SHARE CAPITAL**

A. Reconciliation of No. of Shares	31-Mar-22		31-Mar-21	
	Equity Shares	Preference Shares	Equity Shares	Preference Shares
Opening Balance	14,89,11,400	50,00,00,000	14,89,11,400	50,00,00,000
Shares Issued	-	-	-	-
Shares bought back / Redeemed	-	-	-	-
<b>Closing Balance</b>	<b>14,89,11,400</b>	<b>50,00,00,000</b>	<b>14,89,11,400</b>	<b>50,00,00,000</b>

**B. Rights, preferences and restrictions attached to Equity shares**

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

C. Shares held by Holding Company	₹ in Crore	
	31-Mar-22	31-Mar-21
7,72,65,200 Equity Shares of ₹10 each (51.89%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.	77.27	77.27

**D. Details of shareholders holdings more than 5% shares**

Name of Shareholder	31-Mar-22		31-Mar-21		% change during the year
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding	
Indian Oil Corporation Limited	77265200	51.89	77265200	51.89	NIL
Naftiran Intertrade Company Limited	22932900	15.40	22932900	15.40	

**E. Details of shares held by promoters**

Name of Shareholder	31-Mar-22		31-Mar-21		% change during the year
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding	
Indian Oil Corporation Limited	77265200	51.89	77265200	51.89	NIL
Naftiran Intertrade Company Limited	22932900	15.40	22932900	15.40	



**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note - 14 : OTHER EQUITY**

Sl. No.	Particulars	Note	31-Mar-22	31-Mar-21
				₹ in Crore
<b>1 Retained Earnings</b>				
a) <b>General Reserve :</b>				
As per last Account			3533.95	3539.28
Add: Remeasurement of Defined Benefit Plans			23.50	(5.33)
			<b>3557.45</b>	<b>3533.95</b>
b) <b>Surplus (Balance in Statement of Profit and Loss):</b>				
Balance Brought Forward from Last Year's Account			(2921.79)	(3179.05)
Add: Profit / (Loss) for the Year			1352.03	257.26
Less: APPROPRIATIONS:				
Capital Redemption Account			100.00	-
Balance carried forward to next year's account			(1669.76)	(2921.79)
			<b>1887.69</b>	<b>612.16</b>
<b>2 Other Reserves</b>				
a) <b>Capital Redemption Reserve :</b>	A			
As per last Account			600.00	600.00
Add: Transferred from Profit and Loss Account			100.00	0.00
			<b>700.00</b>	<b>600.00</b>
b) <b>Securities Premium:</b>	B			
As per last Account			<b>250.04</b>	250.04
c) <b>Capital Reserve</b>				
As per last Account			<b>0.09</b>	0.09
<b>TOTAL</b>			<b>2837.82</b>	<b>1462.29</b>

**Note :**

**Other Reserves**

Reserves created in compliance with the Provision of the Companies Act, the utilisation of which is restricted to the purposes mandated therein:

- A Capital Redemption Reserve Account : To be utilised for redemption of Preference Shares
- B Securities Premium : Premium on shares issued by the company appropriated under this reserve.





**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note - 15 : LONG-TERM BORROWINGS**  
(At Amortised Cost)

Sl. No.		Particulars	Note	Non-current		Current Maturities	
				31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
I. SECURED BORROWINGS							
1	Term Loans:						
	From banks						
	i) Foreign Currency Loans						
	NIL (2021: US \$ 50 Million)	B	-	-	-	-	365.79
	Total (Loans from Banks)						
	From other parties						
	i) Loans from OIIB	A		306.55	443.88	137.50	87.50
	Total (Term Loans)			306.55	443.88	137.50	453.29
	Total Secured Borrowings			306.55	443.88	137.50	453.29
II. UNSECURED BORROWINGS							
1	Debentures						
	8100 Nos. of 5.78% Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - I-2021 (2021: 8100)		810.00		810.00	33.09	33.09
	7750 Nos. of 5.44% Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - II-2022 (2021: Nil)	C	775.00		-	32.57	-
	11450 Nos. of 6.43% Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series - I-2020 (2021: 11450)		-		1145.00	1151.46	6.26
	Total (Term Loans)			1585.00	1955.00	1217.12	39.35
2	Loans from related parties:	D					
	50,00,00,000 (2021 :50,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each			500.00	605.76	139.01	-
	Total Unsecured Borrowings			2085.00	2560.76	1356.13	39.35
	TOTAL LONG-TERM BORROWINGS			2391.55	3004.64	1493.63	492.64



**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**A. Secured Rupee Term Loans:**

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Repayment	Security Details
1	Term Loan from Oil Industry Development Board - Rs 50 Crore	18-03-2019	Floating rate based on month end (semi-annualised) interest rates for 5 year G-Sec as per FIMMDA plus 50% of margins of AAA rated Bonds over G-Sec as quoted in INCORP (quote AAA INBMK) reset on a quarterly basis.	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to RLNG project
2	Term Loan from Oil Industry Development Board - Rs 50 Crore	17-05-2019			
3	Term Loan from Oil Industry Development Board - Rs 150 Crore	30-10-2019			
4	Term Loan from Oil Industry Development Board - Rs 100 Crore	31-03-2020	6.16%		First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to BS-VI project
5	Term Loan from Oil Industry Development Board - Rs 100 Crore	30-06-2020	5.68%		
6	Term Loan from Oil Industry Development Board - Rs 100 Crore	26-03-2021	Floating rate based on month end (semi-annualised) interest rates for 5 year G-Sec as per FIMMDA plus 50% of margins of AAA rated Bonds over G-Sec as quoted in INCORP (quote AAA INBMK) reset on a quarterly basis.		

**B. Secured Foreign Currency Term Loans:**

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Repayment	Security Details
1	Foreign Currency Term Loan from South Indian Bank -USD 50 Mn	13-12-2018	1) 6 Months LIBOR + 125 Bps for first 6 months, 2) 6 Months LIBOR + 175 Bps for next 30 months 3) Reset at half yearly intervals 4) Interest payable on monthly basis	Principal repayable at the end of 3 years from date of availment. Interest payable monthly.  Fully Repaid on 10.12.2021	Pari passu first charge on entire fixed assets of the Company (excluding Land and building & assets pertaining to BS VI project and RLNG projects) with a minimum Fixed Asset Coverage Ratio of 1.50 times and second pari passu charge on movable assets of BS VI project and RLNG project.

**C. Unsecured Loans:**

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Redemption
1	Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series -I-2021	17-07-2020	5.78%	Principal repayable at the end of 5 years from date of availment. Interest payable Annually
2	Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series -II-2022	23-06-2021	5.44%	Principal repayable at the end of 3 years from date of availment. Interest payable Annually
3	Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series -I-2020	28-02-2020	6.43%	Principal repayable at the end of 3 years from date of availment. Interest payable Annually

**D. 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 undistributed upto the commencement of winding up) and for repayment of capital in a winding up, pari passu inter se and in priority to the Ordinary Shares of the Company, but shall not confer any further or other right to participate either in profits or assets.

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

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

(e) Dividend rate shall be equivalent to the Post tax yield of AAA rated corporate bond i.e. prevailing (at the time of issue) 10 year G-Sec yield plus spread on AAA rated corporate bond i.e., 6.65% p.a.

(ii) Non-convertible cumulative redeemable preference shares to the extent of ₹ 500 Crore, out of ₹ 1000 crore was redeemed on 06.06.2018.

**(iii) Preference Shares held by Holding Company**

Particulars	31-Mar-22	31-Mar-21
50,00,00,000 (2021 : 50,00,00,000) Non-Convertible Cumulative Redeemable Preference Shares of ₹10/- each (100%) fully paid-up, held by Indian Oil Corporation Limited, the Holding Company.	500.00	500.00

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

Name of Preference Shareholder	31-Mar-22		31-Mar-21	
	Number of Preference shares held	Percentage of Holding	Number of Preference shares held	Percentage of Holding
Indian Oil Corporation Limited	500000000	100	500000000	100

(v) Preference dividend has been provisionally accrued as finance cost. However, as per the Companies Act 2013, the preference shares is treated as part of share capital and the provisions of the Act relating to declaration of Preference Dividend would be applicable. The Board of Directors have recommended preference dividend of 6.65% on the outstanding preference shares amounting to ₹ 33.25 Cr for the year and ₹ 105.76 Cr being the cumulative preference dividend for the previous year(s).

(vi) Refer Note -13 & 13A - Authorised and issued Preference Share capital and the reconciliation of no. of shares of preference shares





**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note – 16 : OTHER FINANCIAL LIABILITIES**

Sl. No	Particulars	Note	Non-current		Current		₹ in Crore
			31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	
1	Liability for Capital Expenditure	A	-	-	348.34	434.46	
	Less: Transfer to disposal group held for transfer	B	-	-	25.06	-	
					323.28	434.46	
2	Liability to Trusts and Other Funds		-	-	-	43.80	
3	Employee Liabilities for Expenses		-	-	156.86	107.55	
4	Security Deposits	C	6.60	6.72	31.99	35.45	
5	Liability for Unpaid Dividend	D	-	-	3.67	3.68	
6	Other Financial Liabilities		-	-	2.04	1.72	
	<b>TOTAL</b>		<b>6.60</b>	<b>6.72</b>	<b>517.84</b>	<b>626.66</b>	

**Notes :**

**A** Includes dues Payable to Indian Oil Corporation Limited ₹ 4.31 Crore (2021: ₹ 4.31 Crore) and Indian Oiltanking Limited ₹ 4.76 Crore (2021: ₹ 4.76 Crore)

**B** Refer Note 44.1

**C** Non-Current Liability pertains to Indian Oil Corporation Ltd., the holding company.

**D** There are no amounts due for payment to the Investor Education and Protection Fund as at the year end.



**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note - 17 : PROVISIONS**

Sl. No	Particulars	Note	Non-current		Current	
			31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
1	Provision for Employee Benefits		111.47	109.47	20.32	22.56
2	Contingencies for probable obligations	A	-	-	332.73	24.50
	<b>TOTAL</b>		<b>111.47</b>	<b>109.47</b>	<b>353.05</b>	<b>47.06</b>

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	11.16	234.98	-	0.10	246.04
Income Tax	13.34	86.69	-	13.34	86.69
<b>TOTAL</b>	<b>24.50</b>	<b>321.67</b>	<b>-</b>	<b>13.44</b>	<b>332.73</b>
Previous Year	24.39	0.11	-	-	24.50





**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note - 18 : OTHER LIABILITIES**

Sl. No	Particulars	Note	Non-current		Current	
			31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
1	Deferred Income	A	7.45	7.73	0.29	0.30
2	Government Grants					
	Liability towards Government Grants (Refer Note - 40)		11.59	7.26	1.69	1.69
3	Statutory Liabilities		-	-	479.90	628.88
4	Advances from Customers		-	-	52.43	25.60
<b>TOTAL</b>			<b>19.04</b>	<b>14.99</b>	<b>534.31</b>	<b>656.47</b>

**Note :**

A Pertains to Indian Oil Corporation Ltd., the holding company



**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note – 19 : BORROWINGS - CURRENT**  
**(At Amortised Cost)**

₹ in Crore

Sl. No	Particulars	Note	31-Mar-22	31-Mar-21
<b>I. SECURED BORROWINGS</b>				
<b>1</b>	<b>Loans Repayable on Demand</b>			
	<b>From Banks:</b>			
	<b>a) In Rupees</b>			
	i) Working Capital Demand Loan	A	2507.46	-
	<b>Sub-Total</b>		<b>2507.46</b>	-
<b>2</b>	<b>Other Loans</b>			
	<b>From Banks:</b>			
	i) Commercial Paper - SBI	A	-	2011.42
	<b>Sub-Total</b>		-	2011.42
<b>3</b>	<b>Current maturities of Long term debt</b>		<b>137.50</b>	453.29
	<b>Total Secured Borrowings</b>		<b>2644.96</b>	2464.71
<b>II. UNSECURED BORROWINGS</b>				
<b>1</b>	<b>Loans Repayable on Demand</b>			
	<b>From Banks/Financial Institutions:</b>			
	<b>In Rupees</b>			
	Working Capital Demand Loan		2730.23	155.02
	<b>Sub-Total</b>		<b>2730.23</b>	155.02
<b>2</b>	<b>Other Loans</b>			
	<b>From Banks/Financial Institutions:</b>			
	<b>In Rupees</b>			
	Commercial Paper		99.83	3484.25
<b>3</b>	<b>Current maturities of Long term debt</b>		<b>1356.13</b>	39.35
	<b>Total Unsecured Borrowings</b>		<b>4186.19</b>	3678.62
	<b>TOTAL BORROWINGS - CURRENT</b>		<b>6831.15</b>	6143.33

**Notes:**

A Secured against hypothecation by way of first charge on Trade Receivables & Inventories to State Bank of India.





**CHENNAI PETROLEUM CORPORATION LIMITED**  
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**Note – 20 : TRADE PAYABLES**

Particulars	Note	₹ In Crore	
		31-Mar-22	31-Mar-21
Dues to Micro and Small Enterprises	A	6.79	9.38
Dues to Related Parties	B	1887.18	1077.29
Dues to Others		1346.09	795.31
<b>TOTAL</b>	<b>C</b>	<b>3240.06</b>	<b>1881.98</b>

**Notes :**

**A** Details relating to Micro and Small Enterprises is as follows:

Particulars	31-Mar-22	31-Mar-21
(a) the principal amount	6.79	9.38
(b) the interest due thereon remaining unpaid	-	-
(c) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

**B** Represents dues to Indian Oil Corporation Ltd., the holding company

**C** Refer Note - 10(A)

**D** Trade Payables aging schedule

Particulars	Outstanding for following periods from due date of payment					₹ In Crore
	Unbilled	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
(i) MSME		6.79				6.79
(ii) Others	118.38	3103.31	4.67	2.63	4.13	3233.12
(iii) Disputed dues – MSME						-
(iv) Disputed dues - Others			0.15			0.15
<b>Total</b>						<b>3240.06</b>

Particulars	Outstanding for following periods from due date of payment					₹ In Crore
	Unbilled	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
(i) MSME		9.38				9.38
(ii) Others	60.75	1793.41	3.92	3.06	10.33	1871.47
(iii) Disputed dues – MSME						0.00
(iv) Disputed dues - Others		0.15			0.98	1.13
<b>Total</b>						<b>1881.98</b>



**CHENNAI PETROLEUM CORPORATION LIMITED**  
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**Note - 21 : REVENUE FROM OPERATIONS**

₹ in Crore

Sl. No	Particulars	Note	31-Mar-22	31-Mar-21
1	Sale of Products and Crude (including Excise Duty)		60504.15	41869.29
	Less: Discounts		<u>102.13</u>	<u>55.34</u>
	Sales (Net of Discounts)	A	60402.02	41813.95
2	Other Operating Revenues (Note "22.1")		<u>72.27</u>	<u>85.12</u>
			<b>60474.29</b>	41899.07
	<b>TOTAL</b>	B	<b>60474.29</b>	41899.07

**Notes :**

**A** Breakup of Gross revenue and Excise Duty on sales

Particulars	31-Mar-22	31-Mar-21
Revenue (gross)	60402.02	41813.95
Less: Excise Duty	<u>17358.81</u>	<u>19302.68</u>
<b>Net Revenue</b>	<b>43043.21</b>	<b>22511.27</b>

**B** Refer Note-42 Revenue from contracts with customers





**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note – 21.1 : OTHER OPERATING REVENUES**

				₹ in Crore
Sl. No	Particulars	Note	31-Mar-22	31-Mar-21
1	Sale of Power		1.98	1.91
2	Unclaimed / Unspent liabilities written back		2.67	0.11
3	Provision for Doubtful Debts, Advances, Claims, and Stores written back.		-	1.10
4	Recoveries from Employees		1.57	1.47
5	Sale of Scrap		21.20	6.99
6	Amortisation of Government Grants related to OIDB loan		1.67	1.31
7	Revenue Grants		-	1.68
8	Terminalling Charges		1.75	1.67
9	Other Miscellaneous Income	A	41.43	68.88
<b>TOTAL</b>			<b>72.27</b>	<b>85.12</b>

**A** Includes Rs. Nil (2021 : ₹ 36.5 Crore) in respect of Insurance claims



**CHENNAI PETROLEUM CORPORATION LIMITED**  
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**Note – 22 : OTHER INCOME**

		₹ in Crore	
Sl. No	Particulars	31-Mar-22	31-Mar-21
<b>1</b>	Interest on : Financial Item:		
	a) Loans and Advances	4.56	6.03
	b) Deposits	0.18	0.56
	c) Others	<u>12.99</u>	<u>7.81</u>
		<b>17.73</b>	14.40
<b>2</b>	Exchange Fluctuations (Net)	-	86.46
<b>3</b>	Other Non Operating Income	<b>0.01</b>	0.12
	<b>TOTAL</b>	<u><b>17.74</b></u>	<u>100.98</u>

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

		₹ in Crore	
		31-Mar-22	31-Mar-21
In relation to financial assets measured at amortised cost		<b>17.73</b>	14.40





**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note – 23 : COST OF MATERIALS CONSUMED**

Particulars	Note	₹ in Crore	
		31-Mar-22	31-Mar-21
Raw Material Consumed :			
Opening Balance		<b>1968.68</b>	747.31
Add :			
Purchases		<b>41856.41</b>	21086.05
<b>Sub Total</b>		<b>43825.09</b>	21833.36
Less: Closing Stock		<b>3779.90</b>	1968.68
<b>TOTAL (Net)</b>		<b>40045.19</b>	19864.68



**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note – 24 : CHANGES IN INVENTORY**

		₹ in Crore	
Particulars	31-Mar-22	31-Mar-21	
<b>Closing Stock</b>			
a) Finished Products	2456.19	1935.22	
b) Stock in Process	<u>1006.28</u>	<u>299.96</u>	
	<b>3462.47</b>	<b>2235.18</b>	
<b>Less:</b>			
<b>Opening Stock</b>			
a) Finished Products	1935.22	1061.64	
b) Stock in Process	<u>299.96</u>	<u>281.43</u>	
	<b>2235.18</b>	<b>1343.07</b>	
<b>NET INCREASE/(DECREASE)</b>	<b><u>1227.29</u></b>	<b><u>892.11</u></b>	





**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note – 25 : EMPLOYEE BENEFIT EXPENSE**

	₹ in Crore	
Particulars	31-Mar-22	31-Mar-21
<b>Employee Benefit Expense:</b>		
(a) Salaries, Wages, Bonus etc	402.90	435.76
(b) Contribution to Provident & Other Funds	89.07	73.64
(c) Staff Welfare Expenses	63.29	55.11
<b>TOTAL</b>	<b>555.26</b>	<b>564.51</b>

**Notes :**

- A Disclosure in compliance with Ind AS - 19 on "Employee Benefits" is given in Note - 32
- B Above excludes ₹ 38.84 Crore (2021: ₹ 24.94 Crore) transferred to in capital work in progress (Note - 2.2)



**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note – 26 : FINANCE COSTS**

₹ in Crore

Sl. No	Particulars	Note	31-Mar-22	31-Mar-21
<b>1</b>	<b>Interest Payments on Financial items:</b>	(i)		
<b>I</b>	<b>Working Capital Loans</b>			
	Short term Borrowings		227.70	227.69
	<b>Other Loans</b>			
	Debentures/Long Term Loan	A	<u>140.61</u>	<u>108.86</u>
			<b>368.31</b>	<b>336.55</b>
	II Unwinding of Finance cost on Lease obligations		<b>1.80</b>	1.90
<b>III</b>	Interest expense for Preference Shares treated as financial liabilities	B	<b>33.25</b>	33.25
<b>2</b>	<b>Interest Payments on Non Financial items</b>		<b>0.36</b>	0.80
<b>3</b>	<b>Other Borrowing Cost</b>	C	<b>1.15</b>	2.54
<b>4</b>	<b>Exchange differences regarded as adjustment to borrowing cost</b>		<b>7.57</b>	-
	<b>TOTAL</b>		<b><u>412.44</u></b>	<b><u>375.04</u></b>

**Notes :**

A Net of interest capitalised as part of CWIP **51.40** **47.04**

B Refer Note-15 D (v)

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

	₹ in Crore
	31-Mar-22 31-Mar-21
In relation to financial liabilities measured at amortised cost	<b>403.36</b> 371.70

c Mainly pertains to Stamp duty & other indirect expenses on borrowings.





**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note - 27 : OTHER EXPENSES**

₹ in Crore

Sl. No	Particulars	31-Mar-22	31-Mar-21
1	Consumption:		
a)	Stores, Spares and Consumables	94.41	77.81
b)	Packages & Drum Sheets	1.26	0.85
		<b>95.67</b>	<b>78.66</b>
2	Power & Fuel	2485.20	1552.22
	Less : Fuel from own production	2419.28	1494.25
		<b>65.92</b>	<b>57.97</b>
3	Irrecoverable taxes - Central Sales Tax	<b>307.09</b>	222.34
4	Repairs and Maintenance		
i)	Plant & Machinery	186.15	162.73
ii)	Buildings	1.09	0.70
iii)	Others	66.97	46.44
		<b>254.21</b>	<b>209.87</b>
5	Freight, Transportation Charges and Demurrage	<b>27.37</b>	112.05
6	Office Administration, Selling and Other Expenses (Refer Note "27.1")	<b>481.46</b>	175.37
	<b>TOTAL</b>	<b>1231.72</b>	<b>856.26</b>
	Less: Company's use of own Products	<b>1.10</b>	0.65
	<b>TOTAL (Net)</b>	<b>1230.62</b>	<b>855.61</b>



**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note – 27.1 : OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES**

				₹ in Crore
Sl. No	Particulars	Note	31-Mar-22	31-Mar-21
1	Rent		11.60	8.34
2	Insurance		27.83	23.71
3	Rates & Taxes		2.14	1.92
4	Payment to auditors :			
	a) For Statutory Audit	0.24		0.29
	b) For Limited Review	0.12		0.12
	c) For Taxation Matters	0.04		0.07
	d) Other Services(for issuing other certificates etc.)	0.03		0.03
			0.43	0.51
5	Travelling & Conveyance		18.58	14.94
6	Communication Expenses		1.63	1.95
7	Printing & Stationery		0.93	1.21
8	Electricity & Water		0.46	0.78
9	Bank Charges		0.77	1.43
10	Provision / Loss on Assets sold or written off (Net)		12.10	51.34
11	Technical Assistance Fees		8.65	5.17
12	Exchange Fluctuation (Net)		98.65	0.00
13	Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores		2.78	1.05
14	Security Force Expenses		30.16	33.99
15	Terminalling Charges		9.90	8.96
16	Provision for Probable Contingencies		234.86	0.11
17	Expenses on CSR Activities	Refer Note:39	-	1.96
18	Miscellaneous Expenses	A	19.99	18.00
	<b>TOTAL</b>		<b>481.46</b>	<b>175.37</b>

**Note :**

A Miscellaneous Expenses Includes:

i) Expenditure on Advertisement, Public Relations and Publicity amounting to ₹ 0.49 Crore (2021: ₹ 0.44 Crore). The ratio of annual expenditure on Advertisement, Public Relations and Publicity to the annual turnover (inclusive of excise duty) is 0.00001:1 (2021: 0.00001:1)

ii) Entertainment Expenses ₹ 0.16 Crore (2021: ₹ 0.2 Crore)



**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note – 28 : OTHER COMPREHENSIVE INCOME**

		₹ in Crore	
Sl. No	Particulars	31-Mar-22	31-Mar-21
<b>A. Items that will not be reclassified to profit or loss:</b>			
1	Remeasurement of Defined Benefit Plans	30.85	(7.21)
2	Share of Joint Ventures and Associates in Remeasurement of Defined Benefit Plans	0.34	-
		<b>31.19</b>	<b>(7.29)</b>
<b>B. Income Tax relating to items that will not be reclassified to profit or loss:</b>			
1	Remeasurement of Defined Benefit Plans	(7.61)	1.94
2	Share of Joint Ventures and Associates in Remeasurement of Defined Benefit Plans	-	0.02
		<b>(7.69)</b>	<b>1.96</b>
<b>TOTAL</b>		<b>23.50</b>	<b>(5.33)</b>





**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note – 29 : DISTRIBUTIONS MADE AND PROPOSED**

	₹ in Crore	
Particulars	31-Mar-22	31-Mar-21
Cash dividends on Equity shares	-	-
	-	-
<b>Proposed dividends on Equity shares:</b>		
Final dividend for year ended 31 March 2022: ₹	29.78	-
2 per share (31 March 2021: ₹ NIL per share)		
	29.78	-

Proposed dividend on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability as at 31 March 2022

Note : Refer Note-15 D (v) for Preference dividend



**CHENNAI PETROLEUM CORPORATION LIMITED**  
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**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:

<b>Particulars</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Profit / (Loss) attributable to equity holders (₹ in Crore)	<b>1352.03</b>	257.26
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	<b>148911400</b>	148911400
Earning Per Share (Basic and Diluted) (₹)	<b>90.79</b>	17.28
Face value per share (₹)	<b>10.00</b>	10.00



**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note - 31 : DISCLOSURE OF INTEREST IN JOINT VENTURES AND ASSOCIATES**

(₹ In Crore)

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying Amount	
					As at 31.03.2022	As at 31.03.2021
Indian Additives Limited	India	50%	Joint Venture	Equity Accounting	208.44	198.51
National Aromatics and Petrochemical Corporation Limited	India	50%	Joint Venture	Equity Accounting	(10.13)	(10.13)

**Summarised balance sheet of the Indian Additives Limited:**

	(₹ In Crore)	
	31-Mar-22	31-Mar-21
	<b>Audited</b>	<b>Audited</b>
Current assets	367.50	376.48
Current liabilities	99.11	120.37
Non-current assets	183.18	176.85
Non-current liabilities	34.67	35.93
<b>Net assets</b>	<b>416.90</b>	<b>397.03</b>
	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	<b>Audited</b>	<b>Audited</b>
Proportion of the company's ownership on the above	50%	50%
Carrying amount of the investment	208.44	198.51
<b>The above amounts of assets and liabilities include the followings</b>		
Cash and cash equivalents	13.38	49.03

**Summarised statement of profit and loss of the Indian Additives Limited:**

Particulars	(₹ In Crore)	
	31-Mar-22	31-Mar-21
	<b>Audited</b>	<b>Audited</b>
Revenue From Operations	866.74	699.42
Other Income	9.61	7.94
Cost of Material Consumed	620.24	418.13
Purchases of Stock in trade	77.85	57.25
Changes in inventories of finished goods, stock-in-trade and work in progress	(28.45)	20.41
Excise duty on sale of goods	-	-
Employee Benefits Expense	36.33	33.42
Finance Costs	0.34	0.32
Depreciation and amortization expense		
a) Tangible Assets	16.37	15.66
b) Intangible Assets	0.04	0.03
Other Expenses	112.26	92.89
<b>Profit before exceptional items and tax</b>	<b>41.38</b>	<b>69.25</b>
Exceptional Items		
<b>Profit/(loss) before tax</b>	<b>41.38</b>	<b>69.25</b>
Tax expense:		
Current Tax	10.20	17.50
Tax Expense relating to previous year	(0.44)	-
Deferred Tax	0.42	0.47
<b>Profit (Loss) for the period</b>	<b>31.20</b>	<b>51.28</b>
Other Comprehensive Income	0.50	(0.12)
<b>Total comprehensive income</b>	<b>31.70</b>	<b>51.15</b>
Dividend received	5.92	5.92

**Commitments and contingent liabilities in respect of Joint Venture**

Particulars		
	31-Mar-22	31-Mar-21
	<b>Audited</b>	<b>Audited</b>
<b>Commitments - Joint Venture</b>		
Property, Plant and Equipments	1.14	1.10
Civil Work relating to Project	-	-
<b>Contingent liabilities - Joint Venture</b>		
Income Tax Matters	3.33	3.33
Excise Duty Matters	0.01	0.01
Service Tax Matters	0.57	0.76
Sales Tax Matters	0.34	0.34
Customs duty matters	-	0.01

**Individually immaterial Joint Ventures:**

Particulars		
	31-Mar-22	31-Mar-21
Aggregate carrying amount of individually immaterial Joint Venture		
i) National Aromatics and Petrochemical Corporation Limited <b>A</b>	-	-
Aggregate amounts of the group's share of:		
Profit/(loss) from continuing operations	NA	NA
Other comprehensive income	NA	NA
Total comprehensive income	NA	NA
Share of profits from Joint Venture	(0.01)	(0.01)

A. The Investment in JV have been fully provided for 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





**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**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 ₹ 24.62 Crore (2021: ₹ 21.1 Crore) towards contribution to Defined Employees Pension Scheme in the Statement of Profit and Loss / CWIP (included in Contribution to Provident & Other Funds in Note - 25 / Construction period expenses in Note-2.1)

During the year, the company has recognised ₹ 1.81 Crore (2021: ₹ 1.95 Crore) as contribution to EPS-95 in the Statment of Profit and Loss / CWIP (included in Contribution to Provident and Other Funds in Note - 26 / Construction period expenses in Note-2.1)

**B. Defined Benefit Plans- General Description**

**1 Provident Fund:**

The Company's contribution to the Provident Fund is remitted to separate provident fund trust established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company. The Provident Fund maintained by the PF Trust in respect of which actuarial valuation is carried out and ₹ 4.91 Crore (2021 : ₹ 4.34 Crore) has been provided by the company towards the current and future interest shortfall/losses beyond available surplus.

**2 Gratuity:**

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the eligible salary for every completed year of service subject to a maximum of ₹ 0.20 Crore at the time of separation from the company. Besides, the ceiling of gratuity increases by 25% whenever IDA rises by 50%. The company has funded the liability through insurance company.

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

PRMS provides medical benefit to retired employees and eligible dependant family members. The company has funded the liability through insurer managed funds.

**4 Workman Compensation:**

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

**C. Other Long-Term Employee Benefits - General Description**

**1 Leave Encashment:**

(i) Each employee is entitled to get 8 days of earned leave for each completed quarter of service. Encashment of earned leave is allowed during service leaving a minimum balance of 15 days subject to maximum accumulation up to 300 days. In addition each employee is entitled to get 5 days of sick leave at the end of every six months. The Company has been adopting a practice of permitting encashment of the entire accumulation of sick leave only at the time of retirement.

(ii) DPE Guidelines in this regard states that sick leave cannot be encashed. The company continues this practice keeping in view operational complications and service agreements. Our Holding company has represented to the concerned authorities in earlier years to reconsider the matter. The matter has been dealt in 3rd PRC recommendations, which is effective January 1,2017 and CPSEs have been allowed to frame their own rules considering operational necessities and subject to conditions set therein. The net expenditure accounted towards encashment of sick leave for the year is ₹ 1.96 Crore (2021: ₹ 6.94 crore). The accumulated provision for towards encashment of sick leave is ₹ 29.86 Crore (2021: ₹ 32.51 Crore).

**2 Long Service Award:**

On completion of specified period of service with the Company and also at the time of retirement, employees are rewarded with Prepaid Card as per eligibility, based on the duration of service completed based on the Board approved policy. This award based on length of meritorious and faithful service of employees (Long Service Award) was specifically allowed by DPE (formerly BPE) thru its letter dated 14.02.1983. MOP&NG has advised the Company that the Scheme is in contravention to the present DPE guidelines issued vide DPE OM No. 2(22)/97-DPE(WC) dated 20th November, 1997. The matter is being pursued with MOP&NG for resolution. Pending resolution of the matter, the company is of the view that the provision is in line with Board approved policy. The net expenditure accounted on this account is ₹ 0.96 Crore (2021: ₹ 0.80 Crore). The accumulated provision in this regard is ₹ 10.95 Crore (2021: ₹ 11.54 Crore). The Company continues this practice keeping in view operational complications and service agreements. Our Holding company has represented to the concerned authorities in earlier years to reconsider the matter.

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

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



**(i) Reconciliation of balance of Defined Benefit / Long Term Employee Benefit Obligations**  
₹ In Crore

	Provident Fund Funded	Gratuity Funded	PRMS Funded
Defined Obligation at the beginning	617.28	163.96	258.00
	596.00	154.79	236.68
Current Service Cost	23.58	3.35	3.93
	26.59	2.39	3.76
Interest Cost	61.21	11.23	17.83
	45.86	10.57	16.12
Past Service Cost	-	0.00	-
	-	16.83	-
Benefits paid	(112.73)	(19.53)	(6.01)
	(104.91)	(19.52)	(4.13)
Employee Contribution	40.41	-	-
	48.34	-	-
Transferred from other company	(0.12)	-	-
	(0.30)	-	-
Actuarial (gain)/ loss on obligations	0.27	(5.55)	(19.16)
	5.70	(1.10)	5.58
Defined Benefit Obligation at the end of the year	629.90	153.46	254.59
	617.28	163.96	258.00

**(ii) Reconciliation of balance of Fair Value of Plan Assets**

(₹ in Crore)

	Provident Fund Funded	Gratuity Funded	PRMS Funded
Fair Value of Plan Assets at the beginning of the year	612.93	137.53	246.45
	599.11	132.89	195.01
Expected return on plan assets (Interest Income)	60.93	9.42	17.03
	45.86	9.08	13.28
Contribution by employer	23.58	23.59	8.29
	26.59	14.28	41.68
Contribution by employees	40.41	-	-
	48.34	-	-
Benefit paid	(112.73)	(1.94)	-
	(104.91)	(19.52)	-
Transferred from other company	(0.12)	-	-
	(0.30)	-	-
Actuarial gain / (losses) (Return on Plan Assets excl interest income)	-	2.29	4.11
	(1.76)	0.80	3.52
Fair value of plan assets at the end of the year	625.00	170.89	275.88
	612.93	137.53	246.45

**(iii) Reconciliation of Fair Value of Plan Assets and Defined Benefit Obligation**

(₹ in Crore)

	Provident Fund Funded	Gratuity Funded	PRMS Funded
Fair Value of Plan Assets at the end of the year	625.00	170.89	275.88
	612.93	137.53	246.45
Defined Benefit Obligation at the end of the year	629.90	153.46	254.59
	617.28	163.96	258.00
Liability / (Asset) recognised in the Balance Sheet	4.90	(17.43)	(21.29)
	4.35	26.43	11.55
Amount not recognised in the Balance Sheet	-	-	-
	-	-	-

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

(₹ in Crore)

	Provident Fund Funded	Gratuity Funded	PRMS Funded
Current Service Cost	23.58	3.35	3.93
	26.59	2.39	3.76
Interest Cost	61.21	11.23	17.83
	45.86	10.57	16.12
Expected (return) / loss on plan asset	(60.93)	(9.42)	(17.03)
	(45.86)	(9.08)	(13.28)
Contribution by Employees	-	-	(0.12)
	-	-	-
Past Service Cost	-	-	-
	-	16.83	-
Expenses for the year	23.86	5.16	4.61
	26.59	20.71	6.60





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

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Actuarial (gain)/ loss on Obligations	0.27 5.70	(5.55) (1.10)	(19.16) 5.58
Remeasurement (Return on Plan Assets excl interest income)	- (1.76)	(2.29) (0.80)	(4.11) (3.52)
Net Loss / (Gain) recognized in OCI	0.27 -	(7.84) (1.90)	(23.27) 9.10
Net Loss / (Gain) not recognized in P&L / OCI	- 7.46	- -	- -

(vi) Major Actuarial Assumptions

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Discount rate	7.23% 6.85%	7.23% 6.85%	7.40% 6.91%
Guaranteed return on plan assets	8.10% 8.50%	- -	- -
Salary escalation	- -	8.00% 8.00%	- -
Inflation	- -	- -	7.00% 7.00%

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

(vii) Sensitivity on Actuarial Assumptions:

Loss / (Gain) for:	Gratuity	PRMS
	Funded	Funded
<b>Change in Discounting Rate</b>		
Increase by 0.5%	(4.76) (4.97)	(19.22) (20.75)
Decrease by 0.5%	5.11 5.36	21.88 23.77
<b>Change in Employee Turnover</b>		
Increase by 0.5%	0.42 0.35	0.50 0.28
Decrease by 0.5%	(0.44) (0.36)	(0.54) (0.30)
<b>Change in Salary Escalation / Inflation rate</b>		
Increase by 0.5%	4.13 4.02	21.99 23.77
Decrease by 0.5%	(3.78) (3.69)	(19.48) (20.95)

(viii) Investment details:

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

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

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Government securities (Central & State)	48.46% 42.33%	29.80% 75.11%	81.85% 79.55%
Investment in Equity / Mutual Funds	10.24% 7.26%	14.51% 9.07%	8.39% 5.85%
Investment in Debentures / Securities	36.37% 44.21%	50.98% 14.80%	9.23% 13.27%
Other approved investments (incl. Cash)	4.92% 6.20%	4.71% 1.03%	0.53% 1.33%

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

Cash Flow Projection from the Fund/Employer	Gratuity	PRMS	Total
	Funded	Funded	
Within next 12 Months	20.49 24.44	7.53 6.50	28.02 30.95
Between 2 to 5 Years	62.69 63.02	38.82 34.85	101.50 97.87
Between 6 to 10 Years	70.38 74.90	70.10 64.17	140.48 139.07
	Gratuity	PRMS	
	Funded	Funded	
Weighted Average Duration of Defined Benefit Obligation	8 Years 8 Years	14 Years 16 Years	





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**Note – 33 : COMMITMENTS AND CONTINGENCIES**

**A Leases**

**(a) As lessee**

The Company has entered into various material lease arrangements (including in substance lease arrangements) such as lands and buildings for purpose of its plants, facilities, offices, etc.,

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

**Amount Recognized in Statement of Profit and Loss Account or Carrying Amount of Another Asset**

	<b>(₹ in Crore)</b>	
<b>Particulars</b>	<b>31-03-2022</b>	<b>31-03-2021</b>
Depreciation recognized	6.27	5.64
Interest on lease liabilities	1.39	1.48
Expenses relating to short-term leases (leases more than 30 days but less than 12 months)	2.46	3.13
Variable lease payments not included in the measurement of lease liabilities	2.19	4.25
Total cash outflow for leases	12.02	14.15
Additions to ROU during the year	2.61	9.83
Net Carrying Amount of ROU at the end the year	13.49	17.15

The details of ROU Asset other than leasehold land included in PPE (Note 2) held as lessee by class of underlying asset is presented below :-

<b>(₹ in Crore)</b>				
<b>Asset Class</b>	<b>Items Added to RoU Asset as on 01.04.2021</b>	<b>Additions to RoU Asset during the Year</b>	<b>Depreciation Recognized During the Year</b>	<b>Net Carrying value as on 31.03.2022</b>
Leasehold Land	8.42	0.94	1.50	7.86
Buildings Roads etc.	0.33	-	0.02	0.31
Plant & Equipment	1.11	-	1.11	-
Transport Equipments	7.29	1.67	3.64	5.32
<b>Total</b>	<b>17.15</b>	<b>2.61</b>	<b>6.27</b>	<b>13.49</b>

**Previous Year :**

<b>(₹ in Crore)</b>				
<b>Asset Class</b>	<b>Items Added to RoU Asset as on 01.04.2020</b>	<b>Additions to RoU Asset during the Year</b>	<b>Depreciation Recognized During the Year</b>	<b>Net Carrying value as on 31.03.2021</b>
Leasehold Land	9.94	-	1.52	8.42
Buildings Roads etc.	0.35	-	0.02	0.33
Plant & Equipment	-	2.22	1.11	1.11
Transport Equipments	2.67	7.61	2.99	7.29
<b>Total</b>	<b>12.96</b>	<b>9.83</b>	<b>5.64</b>	<b>17.15</b>

As per requirement of the standard, maturity analysis of Lease Liabilities have been shown as part of borrowings under Liquidity Risk of Note 36: Financial Instruments & Risk Factors.

Details of items of future cash outflows which the Company is exposed as lessee but are not reflected in the measurement of lease liabilities are as under;

**(i) Variable Lease Payments**

As per general industry practice, the Company incurs various variable lease payments which are based on rate, kms covered etc. and are recognized in profit or loss and not included in the measurement of lease liability.

**(b) As lessor**

**(i) Operating Lease**

The lease rentals recognized as income in these statements as per the rentals stated in the respective agreements:

	<b>(₹ in Crore)</b>	
<b>Particulars</b>	<b>31-03-2022</b>	<b>31-03-2021</b>
A. Lease rentals recognized during the period	30.62	30.06
B. Value of assets given on lease included in tangible assets		
- Gross Carrying Amount	9.99	9.63
- Accumulated Depreciation	1.41	1.13
- Depreciation recognized in the Statement of Profit and Loss	0.19	0.19

These relate to storage tankage facilities for petroleum products, buildings, plant and equipments given on lease. Asset class wise details have been presented under Note 2: Property, Plant & Equipments.

**Maturity Analysis of Undiscounted Lease Payments to be received after the reporting date**

	<b>(₹ in Crore)</b>	
	<b>31-03-2022</b>	<b>31-03-2021</b>
Less than one year	16.75	15.27
One to two years	15.16	14.38
Two to three year	15.92	15.11
Three to four years	16.74	15.89
Four to five years	17.52	16.70
More than five years	712.23	729.75
<b>Total</b>	<b>794.32</b>	<b>807.10</b>



**B Contingent Liabilities**

Contingent Liabilities amounting to ₹201.48 Crore (2021: ₹444.66 Crore) are as under:

- (i) ₹ 28.03 Crore (2021: ₹ 26.61 Crore) being the demands raised by the Central Excise / Customs / Service Tax Authorities including interest of ₹ 12.26 Crore (2021: ₹ 11 Crore).
- (ii) ₹ 145.73 Crore (2021: ₹ 381.26 Crore) being the demands raised by the VAT/ Sales Tax Authorities and includes no interest (2021: Nil).
- (iii) ₹ 20.67 Crore (2021: ₹ 28.93 Crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹ 8.41 Crore (2021: ₹ 7.77 Crore).
- (iv) ₹ 7.05 Crore (2021: ₹ 7.86 Crore) in respect of other claims including interest of ₹ 1.27 Crore (2021: ₹ 1.17 Crore).

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

**C Commitments****(i) Capital Commitments**

Estimated amount of contracts remaining to be executed on Capital Account not provided for ₹ 266.81 Crore (2021: ₹ 424.07 Crore).

**(ii) Other Commitments**

The Company has an export obligation to the extent of ₹ 147.02 Crore (2021: ₹ 147.02 Crore) on account of concessional rate of customs duty availed under EPCG license scheme on procurement of capital goods and the same is expected to be fulfilled by way of exports.



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

**1.Relationship with Entities**

**A. Details of Holding Company**

1) Indian Oil Corporation Limited (IOCL)

The following transactions were carried out with Holding Company in the ordinary course of business:

(₹ in Crore)		
Particulars	31-Mar-2022	31-Mar-2021
• Sale of Product and Services	57194.25	39814.53
• Dividend on Preference Shares	33.25	33.25
• EDP Maintenance	3.08	3.08
• Other Operating Income	32.52	31.82
• Purchase of Raw Material	969.91	681.13
• Purchase of Stock-in-Trade	47.72	39.94
• Purchase of Stores & Spares	5.10	4.94
• Payment towards License fee	-	9.81
• Canalising commission	6.35	6.00
• Vessel hiring charges	84.68	20.44
• Terminalling and Facilitation Charges	6.00	2.90
• Rental Expenditure	3.18	4.90
• Subscription Expenses	0.30	0.00
• Training Expenses	0.03	0.00
• Security Expenses	-	0.01
• Purchase of RLNG	1355.02	745.83
• Finance Cost - Unwinding of finance cost	0.40	0.40
• Capital Advances / (Liabilities)	(4.31)	(4.31)
• Revenue Advances	0.16	0.13
• Outstanding Receivables	178.72	114.56
• Other Liabilities - Land given on lease	14.34	14.74
• Other Non - current Assets - Land given on lease	44.37	30.24
• Outstanding payables		
Trade Payables	1887.18	1077.29
Preference Shares (at face value)	500.00	500.00

**B.Details of Joint Ventures**

(₹ in Crore)		
i) Indian Additives Limited		
Particulars	31-Mar-2022	31-Mar-2021
• Investment	11.83	11.83
• Sale of Product	29.65	11.00
• Rental income	0.58	0.14
• Maintenance Expenses	1.30	-
• Dividend received	5.92	5.92
• Outstanding Payables	1.30	-
• Outstanding Receivables	0.36	0.76

(₹ in Crore)		
ii) National Aromatics & Petrochemicals Corp. Limited		
Particulars	31-Mar-2022	31-Mar-2021
• Investments in Joint Venture Entities/ Associates	0.03	0.03
• Claims recoverable	22.66	22.66

The Investment & claims recoverable has been fully impaired (Note - 4)

**C.Entities Over which KMP has significant influence**

(₹ in Crore)		
i) CPCL Educational Trust		
Particulars	31-Mar-2022	31-Mar-2021
• CSR Expenses	0.00	0.30

**D.Associates of Holding Company**

(₹ in Crore)		
i) Indian Oiltanking Limited		
Particulars	31-Mar-2022	31-Mar-2021
• Outstanding payable	4.76	4.76

**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.
- Borrowings

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





2) Key Managerial Personnel

A. Whole Time Directors / Company Secretary

- 1) Shri S.N. Pandey (Upto 31.01.2021)
- 2) Shri Arvind Kumar (w.e.f 27.08.2021)
- 3) Shri Rajeev Allawadi
- 4) Shri R. Srikanthan (Upto 30.09.2020)
- 5) Shri. S. Krishnan
- 6) Shri H. Shankar (w.e.f. 01.10.2020)
- 7) Shri P. Shankar

B. Independent / Part time Non-Executive Directors (Government / IOCL / NICO Nominee)

- 1) Shri Sanjiv Singh (Non - Executive Chairman) (Upto 30.06.2020)
- 2) Shri S M Vaidya (Non - Executive Chairman) (w.e.f 01.07.2020)
- 3) Smt Perin Devi (Upto 23.11.2020)
- 4) Shri D. Dural Ganesan (Upto 13.08.2021)
- 5) Smt. Sobha Surendran
- 6) Shri Mohammad Bagher Dakhlili
- 7) Shri Babak Bagherpour
- 8) Shri M Narayana Rao
- 9) Shri Amitabh Mathur
- 10) Shri Mr. Deepak Srivastava (w.e.f 10.08.2021)
- 11) Ms. Sukla Mistry (w.e.f. 16.11.2021)
- 12) Shri Dr. C. K. Shivanna (w.e.f. 16.11.2021)
- 13) Shri Ravi Kumar Rungta (w.e.f. 16.11.2021)
- 14) Shri Manoj Sharma (Upto .09.11.2021)
- 15) Shri Sukh Ram Meena (Upto .09.08.2021)

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

For the Year ended 31-Mar-2022		Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Sitting Fee	(₹ In Crore) Outstanding loans/advance receivables
<b>A. Whole Time Directors / Company Secretary</b>								
1) Shri Arvind Kumar	0.25	0.06	-	-	-	0.32	-	0.09
2) Shri Rajeev Allawadi	0.63	0.10	-	-	-	0.73	-	-
3) Shri S. Krishnan	0.68	0.11	-	-	-	0.79	-	-
4) Shri H. Shankar	0.51	0.10	-	-	-	0.60	-	0.30
6) Shri P. Shankar	0.56	0.09	-	0.01	-	0.66	-	0.06
<b>B. Independent / Government Nominee Directors#</b>								
1) Shri. D. Dural Ganesan	-	-	-	-	-	-	0.02	-
2) Shri. Amitabh Mathur							0.05	
3) Shri. Myneni Narayana Rao							0.05	
4) Smt. Sobha Surendran							0.03	
5) Shri. Ravi Kumar Rungta							0.00	
6) Dr. C.K Shivanna							0.00	
<b>TOTAL</b>	<b>2.64</b>	<b>0.45</b>	<b>0.01</b>	<b>0.01</b>	<b>-</b>	<b>3.10</b>	<b>0.16</b>	<b>0.44</b>

# Sitting fees paid to Independent Directors

For the Year ended 31-Mar-2021

Details of Key Managerial Personnel		Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Total Remuneration	Sitting Fee	(₹ In Crore) Outstanding loans/advance receivables
<b>A. Whole Time Directors / Company Secretary</b>								
1) Shri S.N. Pandey	0.28	0.08	-	-	-	0.72	-	-
2) Shri Rajeev Allawadi	0.42	0.09	-	-	-	0.57	-	-
3) Shri R. Srikanthan	0.22	0.04	-	-	-	0.71	-	-
4) Shri R. Srikanthan	0.46	0.10	-	-	-	0.56	-	0.02
5) Shri S. Krishnan	0.18	0.04	-	-	-	0.24	-	0.22
6) Shri P. Shankar	0.41	0.09	-	-	-	0.50	-	0.08
<b>B. Independent / Government Nominee Directors#</b>								
1) Shri. D. Dural Ganesan	-	-	-	-	-	-	0.05	-
2) Shri. Amitabh Mathur	-	-	-	-	-	-	0.05	-
3) Shri. Myneni Narayana Rao	-	-	-	-	-	-	0.04	-
4) Shri. Sobha Surendran	-	-	-	-	-	-	0.03	-
<b>TOTAL</b>	<b>1.97</b>	<b>0.44</b>	<b>0.87</b>	<b>0.01</b>	<b>-</b>	<b>3.29</b>	<b>0.17</b>	<b>0.32</b>

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

3) Trusts

Transactions with Post Employment Benefit Plans managed through separate trust		Post Employment Benefit Plan	31-Mar-2022 Contribution by Employer	31-Mar-2022 Outstanding Putable	31-Mar-2021 Contribution by Employer	31-Mar-2021 Outstanding Putable
A	CPCL Employees Provident Fund	Provident Fund	24.05	2.00	28.25	2.00
B	CPCL Employees Superannuation Benefit Fund	Pension Scheme	11.52	-	11.05	-
C	CPCL Employees Group Gratuity Trust	Gratuity	23.59	0.00	14.28	26.43
D	Post Retirement Medical Benefit Trust	PRMB	8.17	0.00	41.68	11.55



**CHENNAI PETROLEUM CORPORATION LIMITED**  
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**Note – 35 : FAIR VALUES**

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

(₹ In Crore)					
Particulars	Carrying value		Fair value		Fair value measurement hierarchy level
	As at	As at	As at	As at	
	31-Mar-2022	31-Mar-2021	31-Mar-2022	31-Mar-2021	
<b>Financial Assets</b>					
<b><u>Amortised Cost:</u></b>					
Loans to employees	<b>71.55</b>	64.61	<b>52.92</b>	55.37	Level 2
<b>Total</b>	<b>71.55</b>	64.61	<b>52.92</b>	55.37	
<b>Financial liabilities</b>					
<b>A. Borrowings:</b>					
<b><u>Amortised Cost:</u></b>					
Non-Convertible Redeemable Debentures	<b>2802.12</b>	1994.35	<b>2818.63</b>	1941.08	Level 2
Lease obligation	<b>15.63</b>	18.99	<b>15.88</b>	19.56	Level 2
Preference Shares	<b>639.01</b>	605.76	<b>626.40</b>	600.00	Level 2
Term Loans from Oil Industry Development Board (OIDB)	<b>444.05</b>	531.38	<b>452.66</b>	536.50	Level 2
<b>Total</b>	<b>3900.81</b>	3150.48	<b>3913.57</b>	3097.14	

**Notes:**

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

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

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

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

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

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

**Methods and assumptions**

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

**Level 2 Hierarchy:**

(i) **Derivative instruments at fair value through profit or loss viz. Foreign exchange forward contracts:**

Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs are considered.

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

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

(iv) **Term Loans from Oil Industry Development Board (OIDB):** Discounting future cash flows using rates currently available for similar type of borrowings (OIDB Borrowing rate) using exit model as per Ind AS 113.





**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note – 36 : FINANCIAL INSTRUMENTS AND RISK FACTORS**

**Financial Risk**

**Factors**

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

The Company is exposed to a number of different financial risks arising from natural business exposures as well as its use of financial instruments including market risk relating to interest rate, commodity prices, foreign currency exchange rates and equity price, credit risk and liquidity risk.

To ensure alignment of Risk Management system with the corporate and operational objective and to improve upon the existing procedure, the Executive Committee of the company constituted a Committee comprising of officials from various functional areas to identify the risks in the present context, prioritize them and formulate proper action plan for implementation. The Committee has formulated the Risk Management Policy.

The Action Taken Report on the Risk Management Policy for the year 2021-22 was reviewed by the Risk Management Committee, Audit Committee and Board of Directors at their meetings held on 27.04.2022.

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

**A. Market risk**

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

The sensitivity analysis in the following sections relate to the position as at 31 March 2022 and 31 March 2021

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

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

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at 31 March 2022 and 31 March 2021 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 2022.

**1) Interest rate risk**

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

The Company's interest rate risk management includes to maintain a mix between fixed and floating rates for rupee and foreign currency loans, based on liquidity, availability of cost effective instruments and considering the market / regulatory constraints. As at 31 March 2022, approximately 92% of the Company's Long term borrowings are at fixed rate of interest (31 March 2021: 87%).

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

Currency	Increase / Decrease		Effect on profit before tax	Increase / Decrease		Effect on profit before tax
	in basis points			in basis points		
	31-Mar-2022		31-Mar-2021			
			(₹ in Crore)		(₹ in Crore)	
INR	+50	(1.35)		+50	(0.49)	
US Dollar	+50	-		+50	(1.83)	
INR	-50	1.35		-50	0.49	
US Dollar	-50	-		-50	1.83	

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





## **2) Foreign currency risk**

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

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

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

Currency	Increase / Decrease		Effect on profit before tax		Increase / Decrease		Effect on profit before tax	
	in %	31-Mar-2022	in %	31-Mar-2021	in %	31-Mar-2021	in %	31-Mar-2021
US Dollar	+5%	(224.94)	+5%	(127.28)	-5%	224.94	-5%	127.28

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

## **3) Commodity price risk**

The Company is exposed to various commodity price related risk such as Refinery Margins i.e. Differential between the prices of petroleum products & crude oil, inventory valuation fluctuation and crude oil imports etc. As per approved risk management policy, the Company can undertake refinery margin hedging, inventory hedging and crude oil price hedging through swaps, options and futures in the OTC market as well as domestic exchanges to mitigate the risk within the approved limits.

## **B. Credit risk**

### **1) Trade receivables**

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

### **2) Financial instruments and cash deposits**

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

The Company's maximum exposure to credit risk for the components of the Balance Sheet at 31 March 2022 and 31 March 2021 is the carrying amounts as provided in Note 4, 5, 6, 11 & 12.

## **C. Liquidity risk**

The Company monitors its risk of shortage of funds using detailed cash flow projections which is monitored closely on daily basis. The Company seeks to manage its liquidity requirement by maintaining access to both short term and long term debt markets. In addition, Company has committed credit facilities from banks.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, commercial papers, bank loans and debentures. and finance leases. The Company assessed the concentration of risk and concluded it to be low. The Company has access to a sufficient variety of sources of funding.



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

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
(₹ In Crore)						
<b>Year ended</b>						
<b>31-Mar-2022</b>						
Borrowings	5237.69	137.33	1390.47	2457.22	-	9222.70
Lease obligations	0.00	1.10	3.37	8.60	2.56	15.63
Trade payables	287.59	2952.47	-	-	-	3240.06
Other financial liabilities	517.84	-	-	6.60	-	524.44
	<b>6043.11</b>	<b>3090.90</b>	<b>1393.84</b>	<b>2472.42</b>	<b>2.56</b>	<b>13002.83</b>
<b>Year ended</b>						
<b>31-Mar-2021</b>						
Borrowings	155.02	5508.17	480.14	3004.64	-	9147.97
Lease obligations	0.00	1.49	4.19	13.31	-	18.99
Trade payables	248.16	1633.82	-	-	-	1881.98
Other financial liabilities	626.66	-	-	6.72	-	633.38
	<b>1029.84</b>	<b>7143.48</b>	<b>484.33</b>	<b>3024.67</b>	<b>-</b>	<b>11682.32</b>

#### D. Excessive risk concentration

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

#### E. Collateral

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



**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note – 37 : CAPITAL MANAGEMENT**

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company monitors capital using debt equity ratio, which is borrowings divided by Equity. The Company's strategy is to keep the debt equity ratio in the range of 2:1 and 1:1 under normal circumstances. The Company also includes accrued interest in the borrowings for the purpose of capital management. The Debt-Equity ratio which impacted due to the lower product cracks arising out of the CoVID-19 situation has improved during the year. Need for capital infusion, would be reassessed based on the turnaround of the situation.

(₹ in Crore)		
Particulars	31-Mar-22	31-Mar-21
Borrowings	9222.70	9147.97
<b>Total Borrowings</b>	<b>9222.70</b>	<b>9147.97</b>
Equity Share Capital	148.91	148.91
Reserves and Surplus	2837.82	1462.29
<b>Equity</b>	<b>2986.73</b>	<b>1611.20</b>
<b>Debt Equity Ratio</b>	<b>3.09 : 1</b>	<b>5.68 : 1</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2022 and 31st March 2021





**CHENNAI PETROLEUM CORPORATION LIMITED**  
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**Note - 38 : RESEARCH AND DEVELOPMENT COSTS**

Research and Development Expenses of ₹ 1.46 Crore(2021: ₹ 0.62 Crore) of capital expenditure incurred and ₹ 5.69 Crore (2021 ₹ 5.64 Crore) of recurring expenditure 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 (PROPERTY, PLANT & EQUIPMENT)**

₹ in Crore										
Asset Block	Gross Block as at 1st Apr 2021	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at 31st Mar 2022	Work-in-Progress as at 1 Apr 2021	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31st Mar 2022	Total Capital Expenditure
1	2	3	4	5	6 = (2+3+4-5)	7	8	9	10 = (7+8-9)	11=(3+8)
Property, Plant & Equipment										
Plant & Equipment	17.02	0.95	-	1.57	16.40	-	-	-	-	0.95
Office Equipment	0.30	0.51	-	-	0.81	-	-	-	-	0.51
Furniture & Fixtures	0.28	-	-	-	0.28	-	-	-	-	-
<b>Total</b>	<b>17.60</b>	<b>1.46</b>	<b>-</b>	<b>1.57</b>	<b>17.49</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.46</b>

**B. RECURRING EXPENSES**

₹ in Crore		
Sl. No	Particulars	31-Mar-22
1	Consumption of Stores, Spares & Consumables	0.25
2	Repairs & Maintenance (a) Plant & Equipment	0.24
3	Payment to and Provisions for employees	4.67
4	Other Expenses	0.48
<b>Total</b>		<b>5.64</b>

**C. TOTAL RESEARCH EXPENSES**

₹ in Crore		
Particulars	31-Mar-22	31-Mar-21
Capital Expenditure	1.46	0.62
Recurring Expenditure	5.69	5.64
<b>Total</b>	<b>7.15</b>	<b>6.26</b>



**CHENNAI PETROLEUM CORPORATION LIMITED**  
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**Note - 39 : DISCLOSURE RELATING TO CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE**

Particulars	31-Mar-22	31-Mar-21
Surplus brought forward from previous year	1.96	-
(i) Amount required to be spent by the company during the year	-	-
(ii) Amount of expenditure incurred	9.73	1.96
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous year shortfall	-	-
(v) Reasons for shortfall	-	-
(vi) Details of related party transactions	-	-
Surplus carried forward to the Next year	11.69	1.96

Nature of CSR activities	31-Mar-22		31-Mar-21	
	In cash	Yet to be paid In cash*	In cash	Yet to be paid In cash
<b>(i) Construction/acquisition of any assets</b>	-	-	-	-
<b>(ii) On purposes other than (i) above</b>				
Health and Sanitation	7.07	0.09	0.61	-
Swachh Bharat	0.25	0.01	0.05	-
Education/employment vocational skills	1.99	-	1.27	-
Administration Expenses, training etc.	0.25	-	0.00	-
Other expenses	0.06	0.01	0.03	-
<b>Total Expenses (ii)</b>	<b>9.62</b>	<b>0.11</b>	<b>1.96</b>	<b>1.96</b>
<b>Grand Total (i) and (ii)</b>	<b>9.62</b>	<b>0.11</b>	<b>1.96</b>	<b>1.96</b>

\*Provisions made for liabilities incurred

**(vii) Movement in the provision during the year:**

Particulars	31-Mar-22	31-Mar-21
Opening Balance	-	-
Provided during the year	0.11	-
Paid during the year	-	-
<b>Closing Balance</b>	<b>0.11</b>	<b>-</b>



**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note – 40 : DISCLOSURE ON GOVERNMENT GRANTS**

**A Revenue Grants**

**1 Stipend to apprentices under NATS scheme**

The company has received grant of ₹ 0.67 Crore (2021: ₹ 0.09 crore) in respect of stipend paid to apprentices registered under National Apprenticeship Training Scheme (NATS) and the same has been accounted on net basis against training expenses.

**2 EPCG Grant**

Grant recognised in respect of duty waiver on procurement of capital goods under EPCG scheme of Central Government which allows procurement of capital goods including spares for pre production and post production at zero duty subject to an export obligations of 6 times of the duty saved on capital goods procured. The unamortized capital grant amount as on March 31, 2022 is ₹ 8.29 Crore (2021: ₹ 2.29 Crore). The company recognised Nil Crore (2021: ₹ 1.3 Crore) in the statement of profit & loss account as amortisation of revenue grant. The company expects to meet the export obligations in line with the scheme.

**3 Grant in respect of Revenue expenditure for research projects**

During the year, the Company has received Nil revenue grant (2021: ₹ 0.09 Crore) in respect of meeting out revenue expenditure such as manpower, consumable etc for research project undertaken with Centre of High Technology under the Ministry of Petroleum & Natural Gas and the same has been reckoned on net basis in expenses.

**B Capital Grants**

**1 Capital Grant in respect of interest subsidy**

The Company has received capital grant in the form of interest subsidy on loans taken from OIIB. The unamortized capital grant amount as on March 31, 2022 is ₹ 4.99 crore (2021: ₹ 6.66 crore). During the year, the company has recognised ₹ 1.67 crore (2021: ₹ 1.31 crore) in the statement of profit and loss as amortisation of capital grants





**CHENNAI PETROLEUM CORPORATION LIMITED**  
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**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 2022(2021 : NIL)
- 3 Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2022 is given below:

S. No	Particulars	₹ in Crore	
		As on	As on
		31-Mar-2022	31-Mar-2021
		Aggregate amount	Aggregate amount
1	Unhedged- Payables	5077.78	2694.40
2	Unhedged- Receivables	579.02	148.90

Refer Note - 10A - Offsetting Financial Assets and Financial Liabilities



**CHENNAI PETROLEUM CORPORATION LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Note – 42 : REVENUE FROM CONTRACTS WITH CUSTOMERS**

The Company is in the business of refining crude oil and it earns revenue primarily from sale of petroleum products and others. Revenue is recognized when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. In determining the transaction price for the sale of products, the company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Generally, Company enters into contract with customers for sale on EX-MI basis. Majority of Company's sales are to Oil Marketing Companies and Downstream industries for which credit period is less than 1 year. Direct sales to other customers are generally on cash and carry basis. Revenue is recognised when the goods are delivered to the customer by adjusting the amounts deposited by customers, if any.

Bifurcation of Total Revenue into Revenue from contract with customers and other sources of revenue as per requirement of Ind AS 115 is given below;

	₹ in Crore	
	2021-22	2020-21
<b>Total Revenue</b>	60468.38	41856.90
Revenue from contract with customers	60402.02	41813.95
Revenue from other contracts / from others	66.36	42.95

No impairment of losses on receivables has been recognised during the current and previous year.



**CHENNAI PETROLEUM CORPORATION LIMITED**  
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**Note - 43 : STATUTORY GROUP INFORMATION**

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in Total Comprehensive income	
	As % of consolidated net assets	₹ in Crore	As % of consolidated profit and loss	₹ in Crore	As % of consolidated other comprehensive income	₹ in Crore	As % of total comprehensive income	₹ in Crore
<b>Parent</b> Chennai Petroleum Corporation Limited Balance as at 31st March 2022 Balance as at 31st March 2021	<b>93.36%</b> 88.31%	<b>2788.42</b> 1422.83	<b>98.85%</b> 90.06%	<b>1336.44</b> 231.71	<b>98.89%</b> 98.87%	<b>23.24</b> (5.27)	<b>98.85%</b> 89.88%	<b>1359.68</b> 226.44
<b>Joint ventures (Investment as per the equity method of accounting)</b> <b>Indian</b> 1 Indian Additives Limited Balance as at 31st March 2022 Balance as at 31st March 2021	<b>6.98%</b> 12.32%	<b>208.44</b> 198.51	<b>1.15%</b> 9.94%	<b>15.60</b> 25.57	<b>1.11%</b> 1.13%	<b>0.26</b> (0.06)	<b>1.15%</b> 10.13%	<b>15.86</b> 25.51
2 National Aromatics and Petrochemical Corporation Limited Balance as at 31st March 2022 Balance as at 31st March 2021	<b>-0.34%</b> -0.63%	<b>(10.13)</b> (10.13)	<b>0.00%</b> -	<b>(0.01)</b> (0.01)	<b>-</b> -	<b>-</b> -	<b>-</b> -	<b>-</b> -
<b>Total</b> Balance as at 31st March 2022 Balance as at 31st March 2021	<b>100.00%</b> 100.00%	<b>2986.73</b> 1611.21	<b>100.00%</b> 100.00%	<b>1352.03</b> 257.27	<b>100.00%</b> 100.00%	<b>23.50</b> (5.33)	<b>100.00%</b> 100.00%	<b>1375.53</b> 251.94





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

The 9 MMTPA refinery project at Cauvery Basin Refinery, Nagapattinam was approved by the Board of Directors of Indianoil Corporation, the holding company in January 2021 for implementation through a Separate Joint Venture. During the year, NITI Aayog has accorded approval for implementation of the project through a separate Joint Venture. Accordingly, pending the incorporation of the Joint Venture, the actual expenditure and the associated liabilities incurred on the project is accounted as asset/ Liability included in disposal group held for Transfer respectively. This group consists of CWIP, Intangible assets under development, advances for capital expenditure and liability for capital expenditure amounting to Rs 358.86 Crore, Rs 259.36 Crore, Rs 0.24 Crore and Rs 25.06 Crore respectively as at 31st March 2022. The capital commitment as at 31st March 2022 for the group is Rs 1545.31 Crore in respect of this project.

2 The Company has refineries at two locations viz., Manali and Nagapattinam (Cauvery Basin Refinery - CBR). The operations of the CBR unit have been stopped from 01.04.2019. Accordingly, the value in use was negative and, the recoverable value of the assets was reviewed and it was estimated that there would not be any recoverable value for the same and impairment loss was recognised.

Some of the Assets to the extent of gross block of Rs. 25.80 crore and accumulated Depreciation of Rs. 3.16 crore in respect of which impairment to the extent of Rs. 22.64 crore was provided, has been dismantled and scrapped during the year. Impairment provision of Rs. 100.02 crore is continued in respect of the balance Assets.

3 Tax expense for the previous year includes Rs. 693.76 crore on exercise of option under said section 115BAA of the Income Tax Act, 1961 to avail the lower rate. Based on receipt of Final Assessment order under Direct Tax Vivad Se Vishwas Act, 2020, tax expense of Rs 11.35 crore has been reversed during the year.

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

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

(b) The company has valid title for all immovable properties. However, in respect of 186.93 acres of land allotted by Government of Tamil Nadu (classified as Poramboke) assignment deed is yet to be received. Out of this, value is to be determined by Government of Tamilnadu in respect of 135.93 acres.

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

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

7 There are no other significant subsequent events that require adjustments or disclosures in the financial statements as at balance sheet date, other than those disclosed above.

8 Other disclosures as required under Schedule III to the Companies Act, 2013

(i) The quarterly statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.

(ii) The company has following transactions/balances with companies, struck off under Section 248 of the Companies Act, 2013 /Section 560 of Companies Act, 1956.

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at current period Rs in Crore	Relationship with the struck off company	Balance outstanding as at previous period Rs in Crore	Relationship with the struck off company
Skpei engineerna works private limited	Trade payables	0.003	Not a related party	0.003	Not a related party
Arun services private limited	Trade payables	0.005		0.000	
Polycab wires and cables private limited	Trade payables	0.000		0.000	
Alliance aviation private limited	Trade payables	0.000		0.000	
Mcog engineering and fabrication private limited	Trade payables	0.000		0.000	
The national sugar mills ltd	Customer Advances	0.004		0.003	
Sri anianeve agro tech private limited	Customer Advances	0.000		0.000	
<b>Total</b>		<b>0.012</b>		<b>0.006</b>	

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



**CHENNAI PETROLEUM CORPORATION LIMITED****CONSOLIDATED FINANCIAL STATEMENTS****Note – 45 : STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES (FORM AOC-I)****Part A : Subsidiaries**

Not applicable as there are no subsidiaries

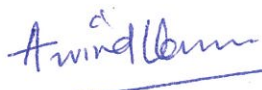
**Part "B" : Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and

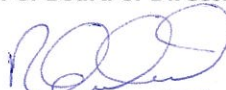
₹ in Crore

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-2022	31-Mar-2022
2	Date on which the Associate or Joint Venture was associated or acquired	13-Jul-89	10-May-89
3	Shares of Associate / Joint Ventures held by the company on the year end		
	i) No.	1183401	25000
	ii) Amount of Investment in Associates / Joint Ventures	11.83	0.03
	iii) Extent of Holding	50.00%	50.00%
4	Description of how there is significant influence	Joint venture	Joint venture
5	Reason why the associate / Joint ventures is not consolidated	Consolidated	Consolidated
6	Net worth attributable to shareholding as per latest audited balance sheet	11.83	0.00
7	Profit / (Loss) for the year		
	I) Considered in Consolidation	0.01	(0.01)
	II) Not Considered in consolidation	0.01	(0.01)

for and on behalf of Board of Directors



(Arvind Kumar)  
Managing Director  
DIN - 09224177



(Rajeev Ailawadi)  
Director (Finance)  
DIN - 07826722

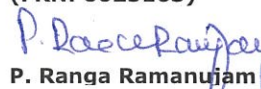


(P. Shankar)  
Company Secretary  
ACS - 7624

As per our Report of even date

For PADMANABHAN RAMANI & RAMANUJAM  
Chartered Accountants

(FRN: 002510S)

  
P. Ranga Ramanujam  
Partner  
Membership No. 022201



Place : Chennai

Date : 27-Apr-2022