

चेन्नै पेट्रोलियम कॉर्पोरेशन लिमिटेड

(इंडियन ऑयल की ग्रुप कम्पनी)

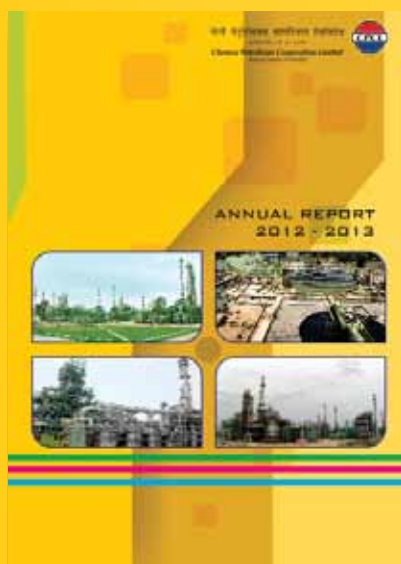
Chennai Petroleum Corporation Limited

(A group company of IndianOil)



ANNUAL REPORT 2012 - 2013





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ANNUAL REPORT 2012 - 2013

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REGISTERED OFFICE

No.536, Anna Salai, Teynampet,
Chennai - 600 018.

REFINERIES

Manali Refinery, Manali,
Chennai - 600 068.

Cauvery Basin Refinery
Panangudi Village, Nagapattinam District,
Tamil Nadu

Website: www.cpcl.co.in

PRINCIPAL BANKER

State Bank of India
Corporate Accounts Group Branch
Egmore, Chennai - 600 006.

COMPLIANCE OFFICER

Mr.M.Sankaranarayanan
Company Secretary

AUDITORS

M/s. S. Venkatram & Co.
Chartered Accountants
Old No.285, New No.218,
TTK Road, Alwarpet
Chennai 600 018.

M/s. Chandran & Raman

Chartered Accountants,
No.2, Dr. Radhakrishnan Road,
2nd Street, Mylapore, Chennai 600 004.

COST AUDITORS

Mr. K. Suryanarayanan

Flat A, Brindhavan Apartments,
No.1, Poes Road, 4th Street,
Teynampet, Chennai 600 018.

PUBLIC INFORMATION OFFICER

Mr.S.Vaidyanathan
Senior Manager (Corporate Communications)

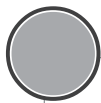
REGISTRARS & SHARE TRANSFER AGENTS

M/s. Karvy Computershare Private Limited

Plot No. 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081.

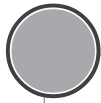
Akshaya Plaza, I Floor, Flat No F - 11,

New No : 108, Adhithanar Salai, Egmore, Chennai - 600 002.



Vision

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



Mission

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

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

To constantly innovate new products and alternate fuels

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

To ensure high standards of business ethics and corporate governance

To maximize growth, achieve national pre-eminence and maximize stakeholders wealth



Corporate Information

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Board of Directors

Mr. R.S. Butola

Chairman

Mr. A.S. Basu

Managing Director

Mr. S. Venkataramana

Director (Operations)

Ms. D. Lilly

Director (Finance)

Mr. T.S. Ramachandran

Director (Technical)

Mr. Rajkumar Ghosh

Director (Refineries)

Indian Oil Corporation Limited

Mr. M.H. Ghodsi

Director

Naftiran Intertrade Company Limited

Mr. Ahmad Azmoodeh

Director,

Naftiran Intertrade Company Limited

Mr. L. Sabaretnam

Director,

Coromandel Sugars Limited

Mr. Venkatraman Srinivasan

Senior Partner,

V. Sankar Aiyar & Co.,

Chartered Accountants

Prof. M.S. Ananth

Visiting Professor,

Department of Chemical Engg.

Indian Institute of Science, Bangalore



Executives

Mr. D.P. Naidu

Chief Vigilance Officer

Mr. V. Srinivasan

General Manager (Corporate Planning)

Mr. R. Chidambaram

General Manager (Cauvery Basin Refinery)

Mr. A. Paul Christudass

General Manager (Finance)

Mr. S. Asokan

General Manager (Human Resources)

Mr. S. Visveswaran

General Manager (Technical)

Mr. G. Aravindan

General Manager (Maintenance)

Mr. N. Nachiappan

General Manager (Operations)

Mr. A. Kumar

General Manager (Projects, Development and R&D)

Mr. G. Sureshkumar

General Manager (Services)

Mr. M. Sankaranarayanan

Company Secretary

NOTICE

Notice is hereby given that the 47th Annual General Meeting of the Shareholders of the Company will be held at **3.00 P.M** on **Wednesday** the **21st August, 2013** at **Narada Gana Sabha, 314, TTK Road, Chennai 600 018** to transact the following businesses:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Statement of Profit & Loss of the Company for the period from 1st April 2012 to 31st March 2013 and the Audited Balance Sheet as at 31st March 2013, together with the Director's Report and the Auditor's Report.
2. To appoint a director in place of Mr. S. Venkataramana who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. R.S. Butola who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. T.S. Ramachandran who retires by rotation and being eligible, offers himself for re-appointment.

Date : 15.07.2013

Place : Chennai

By order of the Board
M. SANKARANARAYANAN
Company Secretary

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of himself.
2. The proxy need not be a member of the Company.
3. The instrument of Proxies, in order to be effective, must be lodged at the Registered Office of the Company not later than 48 hours before the time of holding the meeting.
4. Members / Proxies should bring their attendance slip, duly filled in, to the meeting.
5. Members, who hold shares in the dematerialised form, are requested to bring their depository account number for identification at the time of Annual General Meeting.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from 13.08.2013 to 21.08.2013 (both days inclusive).
7. Members are requested to immediately intimate any change in their addresses registered with the Company.
8. Securities and Exchange Board of India (SEBI), has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in Electronic form are requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in Physical form are requested to submit their PAN details to M/s.Karvy Computershare Private Limited, the share transfer agents of the Company.
9. The shares of the Company are compulsorily traded in dematerialised form and therefore, the shareholders are requested to dematerialise their shares to facilitate trading in CPCL shares.
10. As per the provisions of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Nomination form can be downloaded from the website of the company at www.cpcl.co.in. Shareholders holding shares in Demat form may contact their Depository Participant for nomination.
11. A brief Resume of the Director's of Company, seeking appointment / re-appointment at this Annual General Meeting, and their expertise in specific functional areas, is given as part of the Notice of 47th Annual General Meeting.



12. Inspection of Documents:- The relevant documents are available for inspection by the members at the Registered Office of Company at any time during the working hours till the date of meeting.

BRIEF RESUME OF THE DIRECTORS OF THE COMPANY, SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 47TH ANNUAL GENERAL MEETING

1. Mr.S.Venkataramana, born on 05.06.1957, was appointed on the Board as Director (Operations) effective 03.10.2010. He holds a M.Tech Degree in Chemical Engineering and a Masters Degree in Business Administration. He has 26 years of experience in CPCL in various capacities. Prior to joining CPCL, he was with Hindustan Petroleum Corporation Limited, Mumbai as Engineer (Production).

Mr.S.Venkataramana is a Director in National Aromatics and Petrochemicals Corporation Limited. In CPCL, he is a member of Shareholders' / Investors' Grievance Committee, Project Committee, Remuneration Committee and Committee on Corporate Social Responsibility and Sustainability Development

Mr.S.Venkataramana is holding 200 shares in the company.

2. Mr.R.S.Butola, born on 05.05.1954, was appointed as a Director on the Board of CPCL effective 08.03.2011. Mr.R.S.Butola holds an MBA degree from the Faculty of Management Studies, Delhi and is a Certified Associate of the Indian Institute of Bankers (CAIIB). He has about 3 decades of experience out of which two decades are in the hydrocarbon industry. He has shouldered various responsibilities, prominent among which are the appraisal and evaluation of the Mumbai High Redevelopment Scheme. Under his stewardship, OVL built a formidable E&P portfolio comprising both discovered and producing assets in over 15 Countries.

Mr.R.S.Butola is the Chairman of Indian Oil Corporation Limited, IOT Infrastructure and Energy Services Limited, Petrofed and Executive Committee Member of FICCI.

Mr.R.S.Butola is not holding any shares in the company.

3. Mr. T. S. Ramachandran, born on 25.11.1954, was appointed on the Board of CPCL as Director (Technical) effective 26.07.2011. Mr. T. S. Ramachandran is a First Class Honours Graduate in Electrical Engineering from the University of Calicut. Prior to his appointment as Director (Technical) in CPCL, he was General Manager, Indian Oil Corporation Ltd. He has more than three decades of experience in Indian Oil at Refineries Head Quarters, New Delhi and various refineries at Gujarat, Guwahati and Mathura and across a wide spectrum of functions including projects, engineering services, contracts management, power and utilities etc.,

In CPCL Mr. T. S. Ramachandran is a member of Shareholders / Investors Grievance Committee, Project Committee and Committee on Corporate Social Responsibility and Sustainability Development.

Mr. T. S. Ramachandran is not holding any shares in the company.

Date : 15.07.2013
Place : Chennai

By order of the Board
M. SANKARANARAYANAN
Company Secretary

REPORT ON CORPORATE GOVERNANCE: 2012-13

1.0 COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company firmly believes that timely disclosures, transparent accounting policies, fairness to all stakeholders, effective monitoring of corporate affairs and enhancement of long term corporate value are the cornerstones of good corporate governance.

The Corporate Governance Philosophy of the Company encourages doing things right and doing the right things which are the fundamental principles of good corporate governance.

2.0 GOVERNANCE STRUCTURE

The Governance mechanism in the Company is monitored by the following bodies :

2.1 BOARD OF DIRECTORS

The Board of Directors prescribe goals and targets in respect of various parameters in consultation with Indian Oil Corporation, the holding company, which are incorporated in the Memorandum of Understanding entered into with IOC.

2.2 EXECUTIVE COMMITTEE

The Executive Committee of the Company consists of Managing Director, Functional Directors, Chief Vigilance Officer and Company Secretary. The Executive Committee meets periodically to review various important, managerial and other departmental issues requiring collective attention. During the year 13 meetings were held.

2.3 MANAGEMENT COMMITTEE

The Management Committee comprises of Managing Director, Functional Directors, General Managers and Heads of Department. The Management Committee meets once in a month to discuss wide range of issues faced by different departments. The action taken report in respect of decision taken are also reviewed periodically.

2.4 ROLE OF COMPANY SECRETARY IN THE OVERALL GOVERNANCE STRUCTURE

The Company Secretary plays a key role in ensuring that the requirements of all the applicable laws are complied with and all the procedures with regard to the conduct of meetings are strictly adhered to.

3.0 BOARD OF DIRECTORS

- 3.1 The composition of the Board of Directors of the company is governed by the provisions of the Companies Act 1956, Clause 49 of the Listing Agreement and the DPE guidelines on corporate governance for Central Public Sector Enterprises and the Articles of Association of the Company. The Board of Directors of the Company has an optimum combination of both Executive and Non-Executive Directors.



3.2 As on 31.03.2013, CPCL Board comprises of the following categories of Directors:

3.2.1 One Non-Executive Chairman, who is the Chairman of Indian Oil Corporation Limited (the Holding Company).

3.2.2 Managing Director

3.2.3 Three whole-time Functional Directors, viz., Director (Operations), Director (Finance) and Director (Technical).

3.2.4 Director (Refineries) of Indian Oil Corporation Limited, representing holding company.

3.2.5 Two Directors nominated by Naftiran Intertrade Company Limited, an affiliate of National Iranian Oil Company, one of the co-promoters, in terms of the Formation Agreement.

3.2.6 Three non-functional part-time Directors.

Mr. P.K. Singh, Director (R&A), Ministry of Petroleum and Natural Gas ceased to be a director on the Board of CPCL effective 11.09.2012.

Mr. Ahmad Azmoodeh, Director, Naftiran Intertrade Company Limited has been appointed as a Director on the Board of CPCL effective 23.05.2013 in place of Mr. Mansoor Rad.

3.3 Out of the total number of eleven Directors as on 31.3.2013, eight Directors were Non-Executive Directors. Thus the Company meets the requirement of the number of Non-Executive Directors being not less than 50% of the Board of Directors of the Company as prescribed by SEBI under Clause 49 of the Listing Agreement.

As per the amendment to Clause 49 of the Listing Agreement, introduced by SEBI vide Circular dated 08.04.2008, if the non-executive Chairman is a Promoter of the Company or is related to any promoter or person occupying Management positions at the Board level or at one level below the Board, atleast one-half of the Board of the Company shall consist of Independent Directors. Since, the Company has a non-executive Chairman who is on the Board of Indian Oil Corporation Limited, the Company needs to have 8 Independent Directors.

Presently, the Company has three Independent Directors. The appointment of additional Independent Directors is under the consideration of Government of India.

3.4 Conduct of Board Meetings

Minimum four Board Meetings are held every year. However in order to address the specific requirements of the Company additional Board Meetings are convened. Circular Resolution is passed in respect of matters requiring urgent approval.

3.5 Information placed before the Board

In addition to matters relating to physical performance, financial performance, project investment proposals, the following proposals are also placed before the Board for consideration and approval:

- Expenditure Management – Economy Measures
- Settlement of Commercial disputes between CPSEs and Private parties
- Annual Report on Review of recruitment of minorities, OBC reservation, SC & ST Reservation

3.6 Seven Board Meetings were held during the year 2012-13 on the following dates:

Board Meeting No.	Board Meeting Date
282	23.05.2012
283	31.07.2012
284	11.09.2012
285	06.11.2012
286	24.12.2012
287	12.02.2013
288	18.03.2013

3.7 Details relating to the following are given below :

- Attendance of Directors at the Board Meetings held during the financial year 2012-13 and at the last Annual General Meeting held on 11.09.2012.
- Number of other directorships; and
- Number of memberships / chairmanships held by the Directors in the committees of various companies

Name of the Directors	No. of Board Meetings held during the tenure	No. of Board Meetings attended	Whether attended last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. R.S. Butola	7	7	Yes	4	-	-
Mr. A.S. Basu (from 06.07.2012)	6	6	Yes	2	-	-
Mr. S. Venkataramana	7	7	Yes	1	3	-
Ms. D.Lilly	7	7	Yes	2	4	-
Mr. T.S.Ramachandran	7	7	Yes	-	3	-
Mr. Rajkumar Ghosh	7	7	Yes	2	3	-
Mr. L.Sabaretnam	7	7	Yes	13	-	5
Mr. Venkatraman Srinivasan	7	5	Yes	4	4	3
Prof. M.S. Ananth	7	1	Yes	2	2	-
Mr. P.K. Singh (upto 11.09.2012)	2	2	N/A	1	-	-
Mr. Mansoor Rad or his alternate Director (upto 22.05.2013)	7	2	Yes	1	2	-
Mr. Mohammad Hassan Ghodsi or his alternate Director	7	3	Yes	1	2	-

4.0 COMMITTEES OF THE BOARD

- The Board has constituted four mandatory Committees, viz., Audit Committee, Shareholders' / Investors' Grievance Committee, Remuneration Committee and Committee on Corporate Social Responsibility & Sustainability Development and two non-mandatory Committees, viz., Project Committee and R&D Advisory Committee.
- The minutes of the Committee Meetings are circulated to the members after approval by the Chairman of the Committee and also placed before the Committee and Board in subsequent Meetings for taking on record.



4.3 AUDIT COMMITTEE

4.3.1 Composition of the Committee as on 31.3.2013:-

1. Mr.L.Sabaretnam, Independent Director – Chairman.
2. Mr.Mansoor Rad, Director – Member
3. Mr. Venkatraman Srinivasan, Independent Director – Member
4. Prof. M.S. Ananth, Independent Director – Member

Note: Mr. Ahmad Azmoodeh has been nominated in place of Mr. Mansoor Rad effective 23.05.2013

4.3.2 Terms and reference of the Audit Committee:-

The Audit Committee has been vested with the following powers and functions:

4.3.3 Powers

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice;
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. To have full access to information contained in the records of the company and external professional advice, if necessary.

4.3.4 Functions

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval and appointment of CFO i.e., Whole-time Finance Director after assessing the qualification, experience and background of the candidate.
4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
5. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
 - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualifications in draft audit report.

6. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
7. Reviewing with the Management, the performance of statutory and internal auditors, adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including annual plan for internal audit, the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up thereon.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
13. To review the functioning of the Whistle-Blower Mechanism, in case the same is existing.
14. Any other functions that may be assigned by the Board to the Audit Committee from time to time.

4.3.5 The details of Audit Committee Meetings held during the Financial Year 2012-13 and the Members present are given below:

Members Present	Date of the Meeting			
	23.05.2012	30.07.2012	05.11.2012	12.02.2013
Mr. L.Sabaretnam	✓	✓	✓	✓
Mr. Venkatraman Srinivasan	LoA	✓	✓	✓
Prof. M.S. Ananth	✓	LoA	LoA	LoA
Mr. Mansoor Rad or his Alternate Director	LoA	✓	✓	LoA

Note : LoA denotes Leave of Absence

4.4 REMUNERATION COMMITTEE

4.4.1 The Board of Directors of the Company at the 262nd Meeting held on 27.07.2009 constituted a Remuneration Committee, in line with the DPE Guidelines dated 26.11.2008.

4.4.2 Composition of the Committee

The Remuneration Committee comprises of the following members :

1. Mr. L. Sabaretnam, Independent Director – Chairman
2. Mr. Venkatraman Srinivasan, Independent Director – Member
3. Mr. S.Venkataramana, Director (Operations) – Member
4. Ms. D. Lilly, Director (Finance) – Member
5. Mr. Rajkumar Ghosh, Director – Member

4.4.3 Terms of Reference

The Remuneration Committee will decide the Annual Bonus / Variable Pay pool and policy for its distribution across the Executives and non-unionised supervisors, within the prescribed limits and also other matters that may be referred by the Board.



4.4.4 No Meeting was held during the financial year 2012-13.

4.4.5 The details of Remuneration paid to all the Functional Directors are given below:

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

The gross value of the fixed component of the remuneration, as explained above, paid to the whole-time functional Directors, during the financial year 2012-13 is given below:

(₹ in Lakhs)

Name of the Director	Salaries & Allowances	Contribution to Provident Fund	Contribution to Superannuation Fund and Gratuity	Other Benefits	Total
Mr. A.S. Basu (from 06.07.2012)	15.22	1.44	1.84	0.44	18.94
Ms.D.Lilly	19.40	1.89	2.41	-	23.70
Mr.T.S.Ramachandran	18.15	1.78	2.27	0.55	22.75
Mr. S. Venkataramana	22.17	1.70	1.70	-	25.57

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

4.4.7 Criteria for payment to Non-executive Directors :

As per Article 90 A of the Articles of Association of the Company, the remuneration payable to the Directors of the Company, other than full-time Directors of the Company or Full-time employees of the Shareholders for attendance at Meetings of Board of Directors or any Committee thereof, shall be fixed by the Board of Directors of the Company from time to time.

The amount of sitting fees for attendance at the meetings of the Board and its Committees has been increased from Rs.15000/- to Rs.20,000/- effective 23.05.2012.

4.4.8 The details of the sitting fees paid to non-executive Directors during 2012-13 are given below:

Mr.L.Sabaretnam - ₹ 3,60,000/-

Mr. Venkatraman Srinivasan - ₹ 1,60,000/-

Prof. M.S. Ananth - ₹ 50,000/-

4.4.9 Shares held by Non-executive Directors:

Mr. L. Sabaretnam - 35 shares

4.5 SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

4.5.1 Composition of the Committee as on 31.3.2013:-

1. Mr.L.Sabaretnam, Director, Coromandel Sugars Limited
2. Ms. D. Lilly, Director (Finance)
3. Mr.T.S. Ramachandran, Director (Technical)
4. Mr.M.H. Ghodsi, Director, Naftiran Intertrade Company Ltd.

Mr.L.Sabaretnam, a Non-Executive Director is the Chairman of the Committee.

4.5.2 Terms of Reference

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

4.5.3 The details of Shareholders' / Investors' Grievance Committee Meetings held during the Financial Year 2012-13 and Members present are given below:

Members Present	Date of the Meeting		
	30.07.2012	05.11.2012	12.02.2013
Mr.L.Sabaretnam	✓	✓	✓
Ms. D. Lilly	✓	✓	✓
Mr.T.S.Ramachandran	✓	✓	✓
Mr. Mohammad Hassan Ghodsi	✓	✓	LoA

4.5.4 Name and designation of Compliance Officer:-

Mr.M.Sankaranarayanan, Company Secretary or in his absence Mr.P.Shankar, Deputy Secretary.

4.5.5 Number of shareholders' complaints received during the year 2012-13 and Number of pending complaints for the period from 01.04.2012 to 31.03.2013 are given below:

Sl No.	Nature of complaints	Opening Balance as on 1.4.2012	Received during the Financial year 2012-13	Total	Solved during the Financial year 2012-13	Pending as on 31.03.2013
1	Non-receipt of dividend warrants	0	406	406	406	--
2	Non-receipt of refund orders	0	4	4	4	--
3	Non-receipt of share certificates / new certificates	0	49	49	49	--
4	Non-receipt of share certificates sent for transfer	0	30	30	30	--
5	Non-receipt of stickers against payment of allotment / call money	0	5	5	5	--
6	Non receipt of Annual Reports	0	19	19	19	--
7	Non-receipt of Duplicate Share Certificates	0	10	10	10	--
	Total		523	523	523	--

4.6 PROJECT COMMITTEE

4.6.1 The Composition of Project Committee as on 31.03.2013 is as follows:

1. Mr. L. Sabaretnam, Independent Director – Chairman
2. Mr. Rajkumar Ghosh, Member
3. Ms. D. Lilly, Member
4. Director (Technical) or Director (Operations), depending upon the Proposal considered

The quorum for the Committee's proceedings shall be a minimum of three members including one Director nominated by Indian Oil Corporation Limited and Director (Finance).



4.6.2 Terms of Reference

- (a) To approve Capital investment upto ₹ 100 crore and pre-feasibility expenses upto ₹ 20 crore.
- (b) To recommend investment approval beyond ₹ 100 crore to the Board of CPCL for consideration.

4.6.3 The details of Project Committee Meetings held during the Financial Year 2012-13 alongwith the Members present are given below:

Members Present	Date of the Meeting	
	22.05.2012	07.12.2012
Mr. L. Sabaretnam	✓	✓
Mr. Rajkumar Ghosh	✓	✓ (Attended through video conferencing)
Mr. S. Venkataramana	✓	-
Ms.D.Lilly	✓	✓
Mr.T.S.Ramachandran	-	✓

4.7 COMMITTEE ON CORPORATE SOCIAL RESPONSIBILITY

4.7.1 The Composition of Committee on Corporate Social Responsibility as on 31.03.2013 is as follows:

1. Mr. L. Sabaretnam, Independent Director – Chairman
2. Mr. S. Venkataramana, Director (Operations)
3. Ms.D.Lilly Director (Finance)
4. Mr. T.S. Ramachandran Director (Technical)

4.7.2 Terms of Reference

- To offer guidance / suggestions for improvement in CSR activities.
- To monitor the progress of the CSR Activities on a quarterly basis.

4.7.3 The details of CSR Committee Meetings held during the Financial Year 2012-13 alongwith the Members present are given below:

Members Present	Date of the Meeting	
	26.04.2012	20.12.2012
Mr.L.Sabaretnam	✓	✓
Mr. S. Venkataramana	✓	✓
Ms.D.Lilly	✓	✓
Mr.T.S.Ramachandran	✓	LoA

4.8 COMMITTEE ON SUSTAINABILITY DEVELOPMENT

The Board of Directors of the Company at the 284th Meeting held on 11.09.2012 constituted a Committee on Sustainability Development.

4.8.1 The Composition of Committee on Sustainability Development as on 31.03.2013 is as follows:

1. Mr. L. Sabaretnam, Independent Director – Chairman
2. Mr. S. Venkataramana, Director (Operations)
3. Ms.D.Lilly, Director (Finance)
4. Mr. T.S. Ramachandran, Director (Technical)

4.8.2 Terms of Reference

- To develop the sustainable development policy for the organization
- To provide guidance to the Management in identification of sustainable development projects
- To ensure preparation of implementation plans for the identified SD projects
- To approve the Sustainable Development budget for each accounting year
- To provide guidance in implementation of SD policy and SD projects
- To monitor and review implementation of SD projects and budget expenditure

4.8.3 The details of Sustainability Development Committee Meeting held during the Financial Year 2012-13 alongwith the Members present are given below:

Members Present	Date of the Meeting
	28.03.2013
Mr.L.Sabaretnam	✓
Mr. S. Venkataramana	✓
Ms.D.Lilly	✓
Mr.T.S.Ramachandran	✓

The Board of Directors of the Company at the 289th Meeting held on 28.05.2013 accorded approval for the proposal to merge CSR Committee and Committee on Sustainability Development and renamed the Committee as CSR and SD Committee of the Board.

5.0 COMPLIANCE WITH MANDATORY REQUIREMENTS OF CORPORATE GOVERNANCE

5.1 Compliance of Applicable Laws

As per Clause 49 I (C) (iii), the Board shall periodically review compliance reports of all laws applicable to the company, prepared by the company as well as steps taken by the company to rectify instances of non-compliances.

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

The Board reviewed the Compliance Report of all laws applicable to the Company for the period 01.10.2011 to 30.09.2012 at the 285th Board Meeting held on 06.11.2012.



5.2 Risk Assessment and Minimisation Procedures

As per Clause 49 IV (C), the Company shall lay down procedures to inform Board members about the risk assessment and minimization procedures. These procedures shall be periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

Accordingly, a system had been developed and procedures have been laid down on risk assessment and minimization.

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

The Action Taken Report on the Risk Management Policy for the year 2012-13 was reviewed by the Audit Committee and the Board at the Meeting held on 27.05.2013 and 28.05.2013 respectively.

5.3 Internal Control Systems - CEO / CFO Certification

As per Clause 49 V, the CEO / CFO of the Company shall certify to the Board regarding the effectiveness of the internal control systems for financial reporting.

Systems have been developed to review the internal controls and to institutionalize the system of internal controls in the Company to enable the Managing Director and Director (Finance) certify to Board regarding the effectiveness of Internal Control System for financial reporting.

The required certification from the Managing Director and Director (Finance) being the CEO and CFO respectively was obtained and placed before the 61st Audit Committee Meeting held on 27.05.2013 and also placed before the Board of Directors at the 289th meeting held on 28.05.2013.

5.4 Code of Conduct for Board Members and other Senior Management Personnel

As required under Clause 49 I (D) (ii) of the Clause 49 of the Listing Agreement, a declaration signed by the Managing Director of the Company that all the Board Members and Senior Management personnel have fully complied with the provisions of the Code of Conduct for Board Members and Senior Management Personnel during the financial year ending 31.03.2013 is placed below:

"This is to declare that all the Board Members and Senior Management Personnel of the Company have furnished the Annual Compliance Report affirming that they have fully complied with the provisions of the Code of Conduct for the Board Members and the Senior Management Personnel of the Company during the Financial Year ended 31.3.2013 and the same was informed to the Board at the 289th Meeting held on 28.05.2013".

Place : Delhi
Date : 28.05.2013

A.S.BASU
Managing Director

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

Your Company has a Code of Conduct for prevention of Insider Trading in dealing with the securities of CPCL which prohibits purchase / sale of shares of the Company by the designated employees and Directors while in possession of unpublished price sensitive information in relation to the Company. The Board of Directors of the Company at the 260th Meeting held on 24.03.2009 approved the revised Code pursuant to the amendments made by SEBI to the SEBI (Prohibition of Insider Trading) Regulations, 1992. The revised Code is available in the Intra-net of the Company.

5.6 Compliance Certificate

Department of Public Enterprises (DPE) has issued Corporate Governance guidelines applicable for Central Public Sector Enterprises, which has been made mandatory effective May 2010.

CPCL has complied with the mandatory requirement of the guidelines on Corporate Governance issued by SEBI and DPE except the requirement relating to minimum number of Independent Directors which is less than half of the total strength of the Board. The Company has taken up the issue with the appointing authority, viz., Government of India. The appointment of additional Independent Directors is under the consideration of Government of India.

Clause 49 of the Listing Agreement and DPE Guidelines on Corporate Governance requires every listed Company to obtain a certificate from either the auditors of the Company or a Practicing Company Secretary regarding compliance of conditions of Corporate Governance and annex the certificate with the Directors' Report, which is sent annually to all the shareholders. The Company has obtained a certificate to this effect from the Auditors of the Company as required under the Clause 49 and DPE Guidelines and the Certificates are given as annexures to the Directors' Report.

6.0 COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

(i) Training to Directors

Training to Directors in the area of Corporate Governance is always given utmost importance by Management. The new Directors are nominated for relevant training programmes. The existing directors are also sponsored for appropriate training.

(ii) Evaluation of performance of Non-Executive Directors

CPCL, being a Government Company, the performance of the Board of Directors as a whole including Non-Executive Directors are reviewed by Government of India / Indian Oil Corporation Limited at the time of evaluation of Memorandum of Understanding entered into by CPCL with IOC, the holding Company and also while reviewing the Quarterly performance of the Company by the Ministry of Petroleum and Natural Gas.

(iii) Whistle-Blower Policy

The Board of Directors of the Company at the 260th Meeting held on 24.03.2009, accorded approval for the implementation of the Whistle Blower Policy in the Company. A copy of the Whistle Blower Policy is displayed in the Intra-net of the Company.

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



(iv) Half-Yearly Financial Results

Presently, the half-yearly financial results and the significant events are displayed in the website of the Company for the information of the shareholders.

7.0 DISCLOSURES

The following are the disclosures as required under Clause 49 of the Listing Agreement, DPE Guidelines on Corporate Governance and Voluntary Guidelines on Corporate Governance issued by the Ministry of Corporate Affairs :

7.1 Materially significant Related Party Transactions

Necessary disclosures have been made under the Accounting Standards 18 relating to the Related Party transactions forming part of the Accounts for the year 2012-13.

7.2 Details of Non-Compliance during last three years

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

7.3 Accounting Aspects

- In the preparation of financial statement for the year 2012-13, the Company has not adopted an accounting treatment which is different from that prescribed in the Accounting Standard, in respect of any transaction.
- The Company has not incurred any expenditure not for the purpose of business during the year 2012-13.
- The Company has not incurred any expenses which are personal in nature for the Board of Directors and key management personnel.
- The administrative and office expenses as a percentage of total expenses is 0.29% as compared to the previous year figure of 0.26%.
- The cost statements for the financial year 2012-13 will be filed before 30.09.2013 in XBRL mode.

7.4 Directors

- The Directors on the Board of CPCL are not related to each other.
- The letters issued to Non-Executive Directors on their appointment are displayed in the website of the Company.

7.5 Presidential Directives

The Company has been meticulously following the presidential directives and other guidelines issued by the Ministry of Petroleum and Natural Gas and the Department of Public Enterprises from time to time regarding reservation in services for SC / ST / OBC and Physically Challenged.

7.6 Nomination Committee

As per the voluntary guidelines on Corporate Governance issued by the Ministry of Corporate Affairs, the Company may have a Nomination Committee for evaluating and recommending Executive Directors, Independent Directors and Non-Executive Directors and the work done by the Committee is to be published in the Annual Report.

CPCL is a Government Company under Section 617 of the Companies Act, 1956. The Functional Directors are appointed by the Government of India. The Independent Directors are also to be appointed by the Government of India as per the procedures prescribed in the DPE Guidelines. In view of the above, the need is not felt for constituting a Nomination Committee.

8.0 MEANS OF COMMUNICATION

8.1 Financial Results

The Board of Directors of the Company approve the Un-audited Quarterly Financial Results in the prescribed form within 45 days, of the close of every quarter and announces the results to all the Listed Stock Exchanges. The same are also published, within 48 hours in the newspapers viz., The Hindu, New Indian Express, The Economic Times, Business Line, Financial Express, News Today and Makkal Kural (Tamil).

The Quarterly Results, Half yearly Results, Annual Results and Shareholding pattern are placed on the Company's web site at **www.cpcl.co.in**. Press releases are given on important occasions. They are also placed on Company's website.

8.2 Website

The Company's website, **www.cpcl.co.in** provides separate section for Investors where relevant Shareholders information is available. The Annual Report of the Company is also displayed in the website alongwith the other details like Share price, unclaimed dividend, Press Release, etc.

8.3 Chairman's Speech at AGM

Chairman's Speech at AGM is also distributed to the shareholders who attend the Annual General Meeting of the Company and the same is also displayed in the website of the Company.

8.4 Management Discussion and Analysis Report forms part of the Directors' Report 2012-13.

9.0 GENERAL SHAREHOLDER INFORMATION

9.1 Details of last three Annual General Meetings

Location and time, where last three Annual General Meetings were held and number of special resolutions passed:

AGM Date	Location	Time	No. of Special Resolutions passed
06.09.2010	Kamaraj Arangam, 492, Anna Salai, Chennai 600 006	02.30 pm	Nil
12.09.2011	- do -	02.30 pm	1
11.09.2012	- do -	02.30 pm	1

9.2 Postal Ballot Details:

No Resolution was passed by Postal Ballot during 2012 - 13.

9.3 47th Annual General Meeting

Date & Time : 21st August 2013 ; 03.00 p.m.
Venue : Narada Gana Sabha,
314, TTK Road, Chennai – 600 018



- 9.4 Financial Calendar : April – March
- 9.5 Book Closure Date : 13.08.2013 to 21.08.2013 (both days inclusive)
- 9.6 Dividend despatch date : The Board has not recommended any dividend for the year 2012 - 13
- 9.7 Listing on Stock Exchanges : The Shares of the Company are listed on the Stock Exchanges at Chennai, Mumbai and National Stock Exchange of India Limited. The listing fees for the year 2012-13 has been paid.
- 9.8 Stock Code : Madras Stock Exchange Ltd. - CPCL / BSE – 500110
- 9.9 Trading Symbol in NSE : CHENNPETRO
Trading Symbol in Madras Stock Exchange : CHENNAI PET
- 9.10 ISIN No. for dematerialized shares : INE 178A 01016
- 9.11 Market Price Data-High, Low and Close during each month in the last Financial Year (in Rupees)

	National Stock Exchange			Bombay Stock Exchange		
Month	High	Low	Close	High	Low	Close
Apr-12	161.55	147	150.2	161.8	145	148.45
May-12	152	131	132.15	157.95	131	132.65
Jun-12	134	119.55	120.9	135	119.2	121
Jul-12	140	116.65	121.4	129	117	121.45
Aug-12	139	119.2	133.25	139.6	119.15	133.3
Sep-12	139	119.75	129	134.3	120.4	129.25
Oct-12	136	126.45	129.7	134.7	126.55	129.5
Nov-12	140.7	124.5	128	140.4	122.7	127.4
Dec-12	143.9	127.65	138.05	144.05	128.05	138
Jan-13	161.7	136	140.9	162	135.55	140.75
Feb-13	143.8	124	124.6	142.8	125	125.55
Mar-13	130.45	107.6	122.4	130	107	121.5

9.12 Performance of CPCL's Shares in comparison to BSE and NSE Index

	National Stock Exchange		Bombay Stock Exchange	
Month	Closing price in ₹	Index	Closing price in ₹	Index
		(CNX 500)		(S&P BSE500)
Apr-12	150.2	4178.35	148.45	6,698.51
May-12	132.15	3913.05	132.65	6,280.04
Jun-12	120.9	4170.65	121	6,682.47
Jul-12	121.4	4126.45	121.45	6,605.70
Aug-12	133.25	4129.9	133.3	6,632.34
Sep-12	129	4504.35	129.25	7,206.51
Oct-12	129.7	4448.85	129.5	7,118.77
Nov-12	128	4675.25	127.4	7,472.45
Dec-12	138.05	4743.45	138	7,581.57
Jan-13	140.9	4795.3	140.75	7,665.74
Feb-13	124.6	4477.5	125.55	7,163.69
Mar-13	122.4	4438.35	121.5	7,084.96

9.13 Registrars and Share Transfer Agents

(a) Hyderabad Office:

M/s. Karvy Computershare Private Limited
Unit : Chennai Petroleum Corporation Limited
Plot No. 17 to 24, Near Image Hospital, Vittal Rao Nagar
Madhapur, Hyderabad – 500 081
Phone : 040 – 44655000 / 44655152
Fax : 040 - 44655024
E-mail : mohsin.mohd@karvy.com, einwardris@karvy.com
Website : www.karvycomputershare.com

b) Chennai Office:

Karvy Computershare Private Limited
Unit: Chennai Petroleum Corporation Limited
Akshaya Plaza, Ist Floor, Flat No.F-11
New No.108, Adhithanar Sakai,
(Opp: Chief City Metropolitan Court)
Egmore
Chennai 600 002
Phone: 044-28587781
Fax : 044-42028514
Email id : chennaiirc@karvy.com



9.14 Share Transfer System

- a) To expedite the share transfer process, the Board of Directors has constituted a committee presently consisting of Mr.M.Sankaranarayanan, Company Secretary and Mr.P.Shankar, Deputy Secretary of the Company to approve share transfers, transmission of shares, dematerialisation requests and rematerialisation requests.
- b) The number of transfers approved and shares transferred from 01.04.2012 to 31.03.2013 are given below:

Sl.No.	Particulars		Number of Shares Involved
1	Number of transfer deeds received	248	27000
2	Transfer deeds processed	96	10600
3	Defective transfer deeds sent to the proposed transferee for rectification of defects	152	16400

- c) The number of meetings held for approving the Share Transfers from 01.04.2012 to 31.03.2013 is 39.
- d) The number of demat requests approved and shares dematted from 01.04.2012 to 31.03.2013 in National Securities Depository Ltd. (NSDL) are given below:-

Sl.No.	Particulars	Number of Demat Request Form (DRF)	Number of Shares Involved
1	Number of demat requests received	369	47100
2	Number of demat requests processed	241	30800
3	Number of demat requests rejected, for non-receipt of physical share certificates within 30 days as per the requirement of NSDL	128	16300

- e) The number of meetings held for approving the demat requests through NSDL from 01.04.2012 to 31.03.2013 is 48.
- f) The number of demat requests approved and shares dematted from 01.04.2012 to 31.03.2013 in Central Depository Services (India) Ltd. (CDSL) are given below:

Sl.No.	Particulars	Number of Demat Request Form (DRF)	Number of Shares Involved
1	Number of demat requests received	160	21100
2	Number of demat requests processed	106	14900
3	Number of demat requests rejected, for non-receipt of physical share certificates within 30 days as per the requirement of CDSL	54	6200

- g) The number of meetings held for approving the demat requests through CDSL from 01.04.2012 to 31.03.2013 is 42.

9.15 Distribution of Shareholding as on 31.03.2013

Shareholding of nominal value	Shareholders		Share Amount	
Rs.	Number	% to total	Rs.	% to total
Upto 5000	55685	95.85	56837260.00	3.82
5001 - 10000	1292	2.22	10286930.00	0.69
10001 - 20000	559	0.96	8100180.00	0.54
20001 - 30000	193	0.33	4860940.00	0.33
30001 - 40000	87	0.15	3087690.00	0.21
40001 - 50000	63	0.11	2943570.00	0.20
50001 - 100000	104	0.18	7168870.00	0.48
100001 & above	110	0.19	1395828560.00	93.74
TOTAL	58093	100.00	1489114000.00	100.00

9.16 Shareholding Pattern as on 31.03.2013

Description	No. OF SHARES		TOTAL	% TO SHARES	No. OF SHAREHOLDERS		TOTAL
	Physical	Electronic			Physical	Electronic	
Indian Oil Corporation Limited	0	77265200	77265200	51.89	0	1	1
Naftiran Inter-trade Co. Ltd.	0	22932900	22932900	15.40	0	1	1
Public (including Employees)	1291347	7750955	9042302	6.07	11627	39291	50918
Bodies Corporate	23900	9716604	9740504	6.54	75	642	717
Banks, FIs and Insurance Companies	100	20185486	20185586	13.56	1	20	21
Mutual Funds and UTI	9000	2249495	2258495	1.52	16	7	23
Foreign Institutional Investors	4200	6387851	6392051	4.29	11	29	40
Non-Resident Indians/OCBs/FN	632000	462362	1094362	0.73	4760	1612	6372
Total	1960547	146950853	148911400	100.00	16490	41603	58093



9.17 Top Ten Shareholders as on 31.03.2013 (Other than Promoters)

Sl No.	Name of the Shareholder	No. of Shares	Shares as a percentage of total no.of shares
1	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	7768899	5.22
2	LIFE INSURANCE CORPORATION OF INDIA	6327823	4.25
3	THE NEW INDIA ASSURANCE COMPANY LIMITED	3821060	2.57
4	GENERAL INSURANCE CORPORATION OF INDIA	3341644	2.24
5	LIC OF INDIA - MARKET PLUS ONE GROWTH FUND	2318346	1.56
6	UNITED INDIA INSURANCE COMPANY LIMITED	1913334	1.28
7	CREDIT SUISSE (SINGAPORE) LIMITED	1772712	1.19
8	CLSA (MAURITIUS) LIMITED	1429029	0.96
9	NATIONAL INSURANCE COMPANY LTD	1266000	0.85
10	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA PRIMA PLUS	808131	0.54
	TOTAL	30766978	20.66

9.18 Dematerialisation of Shares and Liquidity

The dematting facility exists with both the National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the convenience of shareholders. As on 31.03.2013, 14,69,50,853 equity shares have been dematerialized, representing 98.68 % of the paid-up capital.

9.19 Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity

The Company has not issued GDR / ADR / Convertible instruments.

9.20 Plant Locations

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

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

9.21 Address for Correspondence

Chennai Petroleum Corporation Limited,
No.536, Anna Salai, Teynampet,
Chennai-600 018.

Phone: 044-24349542

Fax : 044- 24341753

Email: sld@cpcl.co.in

Company's Website Address: www.cpcl.co.in



FOR THE KIND ATTENTION OF SHAREHOLDERS :

(I) TRANSFER OF UNCLAIMED DIVIDEND TO THE INVESTOR EDUCATION AND PROTECTION FUND

The unclaimed dividend declared at the 40th AGM held on 25.08.2006 for the financial year ended 31.03.2006 will be transferred by the Company on or before 24.09.2013 to the Investor Education and Protection Fund in accordance with the rules framed in this regard by the Government.

Similarly, the unclaimed dividend declared at the 41st AGM held on 10.09.2007 for the financial year ended 31.03.2007 will be transferred by the Company on or before 09.10.2014 to the Investor Education and Protection Fund.

Therefore, Members who have not encashed their Dividend Warrants in respect of the above dividend, validity period of which has expired, may approach either the Company or its Share Transfer Agents, viz., Karvy Computershare Private Limited, for obtaining duplicate Dividend Warrants immediately.

(II) GREEN INITIATIVES IN CORPORATE GOVERNANCE

Ministry of Corporate Affairs, as part of Green Initiatives in Corporate Governance, vide Circular No. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011 respectively has allowed paperless compliance by the Companies, which now can send various notices/documents such as Notice of the General Meetings, Annual Report, etc. to its shareholders through Electronic mode at their e-mail address registered with the Company.

Accordingly, shareholders holding shares in physical form are requested to register their e-mail IDs with the Company / Share Transfer Agents by submitting the e-Communication Registration Form forming part of the Annual Report. In case of shareholders holding shares in demat form, they are requested to register their e-mail IDs with their respective Depository Participants.

COMPANY SECRETARY



SECRETARIAL AUDIT REPORT

We have conducted, the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the company for the financial year ended on 31st March 2013. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Secretarial Audit was conducted on the compliance of applicable provisions of the following, namely,

1. The Companies Act, 1956 and the rules made thereunder.
2. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
3. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
4. The Securities and Exchange Board of India Act, 1992 and the Rules, Guidelines and Regulations made thereunder, as applicable, including:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992;
 - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
5. Corporate Governance Voluntary Guidelines - 2009 issued by the Ministry of Corporate Affairs, Government of India;
6. The Listing Agreements entered into by the Company with National Stock Exchange, Bombay Stock Exchange and Madras Stock Exchange;
7. Guidelines on Corporate Governance for Public Sector Enterprises issued by Department of Public Enterprises.

Based on our examination and verification of the books, papers, minute books, registers, records, forms and returns filed and other documents/records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that the Company has, during the audit period covering the financial year ended on 31st March 2013, in our opinion, complied with the applicable provisions of the Companies Act, 1956 and the rules made thereunder and of the various Acts and the Rules, Regulations and Guidelines and the listing agreement as mentioned above and of the Memorandum and Articles of Association of the Company and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. Maintenance of statutory registers and documents and making necessary entries therein.
2. Filing of the requisite forms and returns with the Registrar of Companies.
3. Service of documents by the company on its members, Registrar of Companies and the Stock Exchanges.
4. Closure of Register of Members and Share Transfer Books of the company.
5. Service of notice and agenda of Board meetings and meetings of the Committees of Directors.
6. Meetings of the Board and its committees including passing of resolutions by circulation.
7. Holding of Annual General Meeting and production of the statutory registers thereat. The 46th Annual General Meeting for the financial year ended 31st March 2012 was held on 11th September 2012.
8. Recording Minutes of the proceedings of General Meetings and meetings of Board and its committees.
9. Constitution of Board of Directors and appointment, retirement and reappointment of directors.
10. Remuneration of Directors.
11. Transfers and transmission of shares and issue and delivery of original and duplicate certificates of shares, dematerialization, rematerialization of shares.
12. Declaration and payment of dividend.

We were informed that dividend for the financial year 2011-2012, could not be remitted to the account of Naftiran Inter Trade Co Ltd (NICO), one of the promoters due to the sanctions imposed by the United States of America and European countries against Iran and therefore the amount is lying in the "Unpaid Dividend Account 2011-2012 - NICO" with State Bank of India, CAG Branch, Chennai.

13. Remittance of amounts as required under the Act to the Investor Education and Protection Fund.
14. Appointment and remuneration of Auditors.
15. Appointment of Cost Auditors under Section 233B of the Companies Act, 1956.

16. Non-acceptance of deposits falling within the purview of Section 58A of the Companies Act, 1956.
17. Creation, modification and satisfaction of charges during the year.
18. Dematerialization and rematerialization of shares.
19. Investment of company's funds.
20. Alteration of the Articles of Association.
21. Issue of Secured Redeemable Non-Convertible Bonds in the nature of Debentures (Series-I) of ₹10,00,000/- each for cash at par aggregating to ₹1000 crore on Private Placement basis. The allotment was made on 18.02.2013 The Debenture Trust Deed was registered on 06.05.2013.
22. We further report that:
 - (I) The Company has complied with the requirements of Equity Listing Agreements entered into with the Bombay Stock Exchange Ltd, National Stock Exchange of India Ltd and the Madras Stock Exchange, excepting the requirement relating to independent directors on the Board as laid down in the Listing Agreements. In this connection, the Company has made representation to the Government of India to appoint independent directors on the Board.
 - (II) The Company has complied with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 with regard to the disclosures and maintenance of records required under the regulations.
 - (III) The Company complied with the provisions of Securities and Exchange Board of India (Prohibition on Insider Trading) Regulations, 1992 with regard to disclosures and maintenance of records required under the Regulations.
 - (IV) The Company complied with the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 with regard to disclosures and maintenance of records required under the Regulations.
 - (V) The Company has complied with the provisions of the Depositories Act 1996, and Regulations framed there under with regard to dematerialization/rematerialization of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
 - (VI) The Company has as far as practicable, been complying the Corporate Governance Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs, Government of India.
 - (VII) The Company has, as far as practicable complied with the Secretarial Standards issued by the Institute of Company Secretaries of India, although recommendatory in nature. The Secretarial Standards SS1 to SS10 has been complied with, except SS 9 Secretarial Standard on Forfeiture of Shares, since there was no instance of forfeiture of shares.
 - (VIII) In our opinion and to the best of our information and according to explanations given to us by the management, except the composition of the Board of Directors with regard to Independent Directors, the appointment of the same which is to be made by the Government of India, the company has complied with the DPE Guidelines on Corporate Governance.
23. We further report that-
 - (i) The Directors of the Company have complied with the various requirements relating to making of disclosures, declarations in regard to their other directorships, memberships of committees of the board of companies of which they are directors, their shareholding and interest or concern in the contracts entered into by the Company in pursuing its normal business, and
 - (ii) There was no prosecution initiated against or show cause notice received by the Company and no fine or penalties were imposed on the Company under the aforementioned Acts, Rules, Regulations and Guidelines made thereunder or on its directors and officers.

For S Sandeep & Associates
Company Secretaries
S Sandeep

09th May 2013
Chennai

Managing Partner
FCS 5853



Report to Shareholders

Directors' Report ~~~~~→ 30

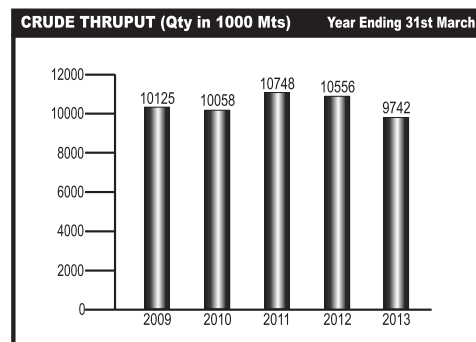
Annexures to Directors' Report ~~~~~→ 42

Directors' Report (Including Management Discussion and Analysis)**To the Shareholders of Chennai Petroleum,**

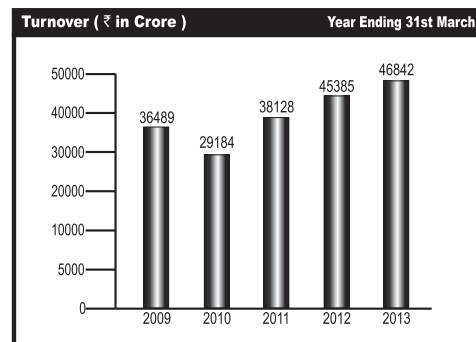
On behalf of the Board of Directors of your Company, it is my privilege to present the 47th Annual Report on the working of your Company, together with the Audited Statement of Accounts for the year ended March 31, 2013.

PERFORMANCE REVIEW**Physical**

CRUDE THRUPUT (in TMT)	2012-13	2011-12
Imported	8335	9051
Indigenous	1407	1506
Total	9742	10557

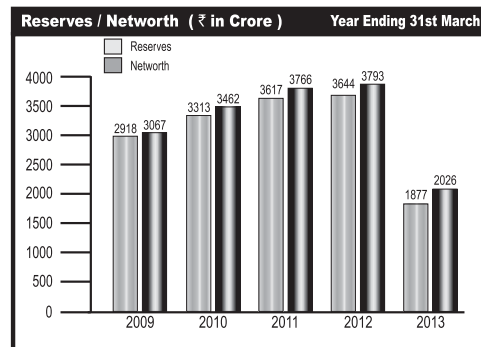


PRODUCTION (in TMT)	2012-13	2011-12
Light Ends	2034	2271
Middle Distillates	4567	5149
Lube Base Stocks	134	178
Paraffin Wax	21	24
Heavy Ends	2036	1993
Intermediates	49	(45)
Other Inputs	(24)	(26)
Fuel & Loss	925	1014
Total	9742	10557

**Financial**

(₹ in Crore)

	2012-13	2011-12
Gross Turnover	46842.47	45384.91
Profit before Interest, Depreciation and Tax	(854.40)	456.58
Interest	468.76	249.38
Depreciation and Amortization	374.53	365.42
Profit/(Loss) before Tax	(1697.69)	(158.22)
Provision for Taxation		
- Income Tax (Net) [Incl. pertaining to earlier years]	-	(253.51)
- Deferred Tax	69.15	33.47
Profit/(Loss) after Tax	(1766.84)	61.83
Value Added	(160.27)	969.03





Major Reasons for incurring Loss during the year 2012-13:

The following major factors adversely impacted the financial performance of the company during the year 2012-13.

- High Volatility in crude and product prices resulting in lower effective cracks
- Adventitious loss on crude and finished goods inventory (₹ 656 crore) leading to adverse margins.
- Unprecedented depreciation of the Indian Rupee against the US Dollar and volatility in foreign exchange market resulting in exchange fluctuation loss (₹ 341 crore)
- Higher interest cost due to increased working capital needs, inadequate internal accruals and servicing of loans availed for Euro IV project from which commensurate returns are not being realised in view of the meagre compensation as provided by the pricing mechanism (₹ 162 crore).
- Lower crude thruptut during the year due to extended shutdown of Refinery II, unplanned shutdown of Refinery III for packing replacement and reduced distillate yields (₹ 476 crore).

As a result of the above factors, the borrowings increased to ₹ 5905.45 crore as compared to ₹ 3672.34 crore in the previous year. Further, a small portion of the short term borrowings were utilized for funding the Capital expenditure during the year. However, this was resorted to only as an interim arrangement.

As a measure to meet the long term fund requirements, the Company issued 10000 numbers of 8.85% Secured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par for ₹ 1000 crore during Feb. 2013 on a private placement basis. Thus, in line with the requirement of funds, the Company has already undertaken suitable action for raising long term resources.

Dividend

The Board of Directors of the Company has not recommended any dividend for the year 2012-13.

Book Value

The book value per share of your Company was Rs. 136.07 as on 31.03.2013 as compared to Rs. 254.72 as on 31.03.2012.

Reserves and Surplus

The Reserves and Surplus as on March 31, 2013 was ₹ 1877.29 crore as compared to ₹ 3644.13 crore at the end of 2011-12.

Value Addition

The value addition during the year was ₹ (160.27) crore as compared to ₹ 969.03 crore in the previous year.

Contribution to Ex-Chequer

The details are as under:

(₹ in Crore)

Particulars	2012-13	2011-12
Central Exchequer	4113.74	5207.05
State Exchequer	603.11	577.77
Total	4716.85	5784.82

Public Deposit Scheme

Your Company has not accepted any fresh public deposits during the year 2012-13.

Transfer of Unclaimed Dividend to IEPF

Your Company has transferred to the Investor Education and Protection Fund the required amount as per Section 205(C) (2) of the Companies Act, 1956, within the stipulated time.

Operational Performance

The total thrupt of the Company during the year 2012-13 was 9742 TMT. The secondary processing units viz., FCCU and OHCU achieved a thrupt of 900 TMT and 803 TMT respectively. The Company has achieved the lowest ever energy index of 66.6 MBTU/BBL/NRGF as against 68 MBTU/BBL/NRGF in 2011-12. The Fuel and Loss for the year was 9.49% as compared to 9.60% in the previous year.

The Manali refinery successfully executed a major revamp of CDU-II unit for optimized production of Euro IV quality products. Manali Refinery increased the Spot Crude Basket from 27 to 37 Nos, thereby increasing the chances of selection of crudes with higher intrinsic value. Further Manali refinery processed two new crudes viz., Kissanje from Angola and Essider from Libya. By processing these new crudes, the Company realizes the benefit of adding new crudes to the basket. Manali refinery successfully carried out trial run of co-processing Vegetable oil (Jatropha) along with Diesel by IOC R&D in Plant 13, VGO Hydrotreater.

Highest Crude shipment of 42 TMT was received through 20" Crude oil interlinked pipeline between CPCL Chidambaranar oil jetty and Marg Karaikal Port during June 2012. Cauvery Basin Refinery (CBR) has processed Ravva plus KG onshore crude oil for the first time in January 2013. CBR achieved the highest total distillate yield of 87.5% and the lowest ever Fuel & loss (post expansion to 1 MMTPA capacity) of 4.04 wt% on crude processed as against the previous best of 4.09 wt% in 2005-06.

MoU PERFORMANCE

Your Company signed an MoU incorporating performance parameters for the purpose of performance evaluation with Indian Oil Corporation Limited, the holding Company for the year 2012-13, as per the guidelines issued by the Department of Public Enterprises (DPE).

MARKETING

Indian Oil Corporation Limited, the holding Company, markets major portion of the fuel products of your Company.

Some of the speciality products are being directly marketed by your Company. The direct sales achieved during 2012-13 as compared to previous year are given below:

(Qty. in TMT)

S. No.	Product	2012-13	2011-12
1	Naphtha	207.5	218.51
2	Sulphur	45.9	56.97
3	Propane	1.6	2.14
4	PBFS	7.0	7.53
5	LABFS	53.0	57.00
6	F.G.Hexane	7.55	5.76

Around 15 new customers were registered during the year for supply of Sulphur, Hexane and Propane.



PROJECTS

Your Company endeavours to conceive, develop and implement projects aimed towards achieving growth and meeting the operational requirements. The Company proposes to invest towards expansion of existing refining capacity and for upgradation of refinery residues to distillates.

Completed Projects

Euro-IV Project

As part of the Auto fuel policy of Government of India, your Company executed the Auto fuel quality upgradation project in a phased manner at an outlay of ₹ 2615.69 crore in Manali Refinery.

Revamp of CDU II

A project for Revamp of CDU II for optimized production of Euro IV quality products involving replacement of main crude column, modifications in vacuum column, heaters, new technological structure with additional heat exchangers, pumps and laying of 15.6 km pipeline was successfully completed and commissioned in October 2012 at a cost of ₹ 333.99 Crore.

Projects Under Implementation

Manali Refinery

Mounded Bullet Storage

As a risk reduction measure and in order to provide intrinsically passive and safe environment, the Company is implementing a mounded bullet storage facility for LPG and Petrochemical feedstock at an estimated cost of ₹ 279 Crore. The project was taken up in April 2013 and will be mechanically completed by end October 2014.

Resid Upgradation Project

In order to maximize the distillate yield of the Manali refinery and increase the percentage of high Sulphur Crude processing, the Company is implementing a Resid Upgradation Project at an estimated cost of ₹ 3110.36 Crores. This project involves installation of Delayed Coker Unit and Revamping of existing Hydro Cracker Unit along with other associated facilities. This project would increase the Distillate yield by about 7%. The Ministry of Environment and Forests accorded the Environment Clearance in March 2013.

This project is scheduled to be completed by the end of December 2015.

New Crude Oil Pipeline

A new 42" Crude Oil Pipeline Project at an estimated cost of ₹ 126 Crore from Chennai Port to Manali Refinery with enhanced safety features is planned to ensure reliable and faster crude transfer from Port thereby reducing berth occupancy and demurrages. The new pipeline is aligned along the berm of Ennore Manali Road Improvement Project.

All engineering activities have been completed. The project has been reviewed by Expert Appraisal Committee of Ministry of Environment and Forest and recommended for Coastal Regulatory Zone (CRZ) Clearance.

Cauvery Basin Refinery

Construction of 2 Crude oil storage tanks of 10500 KL each is being implemented to receive higher parcel size crude. The estimated cost is ₹ 21 Crore.

Projects under conceptualization

Single Point Mooring Project

Your Company proposes to install an SPM facility off Ennore Port to facilitate crude oil transportation through Very Large Crude Carriers thereby optimizing the transportation cost, at an estimated cost of ₹ 863 Crore.

Refinery Expansion Project

In order to address the projected supply – demand gap for the Petroleum products in the CPCL fed zone and to retain / enhance the market share, your Company has conceived a project to increase the capacity of Manali Refinery by 6.0 MMTPA. The process configuration has been finalized, pre-feasibility report prepared which is to be further evaluated and appraised before seeking approvals.

INITIATIVES TAKEN TO ACHIEVE OPERATIONAL EXCELLENCE

Your Company has initiated following activities to achieve improvement in both Physical and Financial Performances:

- Identifying and processing of superior Crude mix to maximize GRM.
- Improving the reliability of the Plant.
- Achieving reduction in Energy consumption.
- Reducing the crude inventory level to an average of 23 days.
- Minimising interest cost by replacing high cost loans with low cost loans and optimize the interest cost with proper mix of foreign currency/ Rupee loans.
- Increasing Distillates yield.

INDIAN ADDITIVES LIMITED

Indian Additives Limited, (IAL) a joint venture between your Company and Chevron Chemical Company (now Chevron Oronite Company) was formed in the year 1989 for the manufacturing Lube Additives, achieved a turnover of ₹ 537.72 Crore during the year 2012-13, as against ₹ 454.49 Crore in the previous year. The Profit after Tax for 2012-13 is ₹ 36.68 Crore as against ₹ 36.07 Crore in the previous year.

INFORMATION TECHNOLOGY

Your Company keeps itself abreast of the advancements in the field of information technology by continuously adopting State-of-the-art IT Solutions in pursuit of achieving operational excellence.

Your Company has successfully implemented server virtualization and thin clients in the Virtual Machine (VM) Environment. This enabled the Company to achieve efficiency in the optimum utilization of server resources, secure infrastructure, centralized management, better availability of servers, faster disaster recovery, increased productivity and ultimately resulting in contribution to Green IT. SAP payroll module was successfully implemented along with Employee Self Service portal.

Your Company has strengthened the security of the IT infrastructure by implementing the log servers and network management software.

Your Company has successfully introduced the online recruitment for apprentice trainees through web based programs.



RESEARCH AND DEVELOPMENT (R&D)

Your Company recognizes the need to develop cutting edge R & D Technologies in the core areas and commercializing the developed technologies and initiating research in new areas to remain competitive.

Your Company successfully carried out trial run of co-processing Vegetable oil (Jatropha) along with Diesel by IOC R&D in Plant 13, VGO Hydrotreater. The technology of co-processing of vegetable oils developed by IOC R&D was commercialized in Vacuum Distillates HDS unit. This process has several advantages such as improved cetane and oxidation stability over conventional bio-diesel production.

Your Company has initiated a collaborative project on desulphurization of fuel oil with Indian Institute of Petroleum, Dehradun for developing a process based on extraction technology to reduce sulphur content in fuel oil to less than 1%.

Studies were conducted on high-pressure Autoclave unit for thermo chemical conversion of Algae for production of Bio Crudes.

Your Company is also collaborating with M/s. Sud-Chemie India Ltd., for developing Naphtha Hydro Treating Catalyst with HDS activity in order to reduce the sulphur content in the treated Naphtha to less than 1 PPM.

SAFETY PERFORMANCE

Your Company is committed to promote best safety practices and procedures at all the operating units and installations which are regularly updated for achieving excellence in safety standards.

Your Company complies with the OISD standards and the compliance is ensured by the frequent audits conducted by internal safety audit team as well as external safety audit by OISD. Based on the recommendations of M.B Lal Committee, the revised OISD 116 guidelines are being implemented in a phased manner covering procurement and installation of HVLR monitors for tank farm as well as plant area tall columns, procurement of other emergency equipments like leak seal pad, cutter & spreader, fire suits, pneumatic lifting bags, procurement and installation of rim seal fire protection for all class A tanks and procurement / installation of hydrocarbon detectors for tank farm area.

An onsite emergency mock drill at Manali was conducted in the presence of Joint Director of Industrial Safety and Health, Officials from Disaster Management Institute, Bhopal and Members of Manali Industries Association in February 2013. An offsite mock drill exercise was conducted in February 2013 in coordination with M/s. CETEX.

Manali Refinery received the prestigious State Safety Award – First Prize for the year 2008 under the category of Industries – Chemicals of Group A in Scheme III from Government of Tamilnadu in recognition of better safety performance.

Fire service medal for gallantry conferred by His Excellency, The President of India on three Fire and Safety personnel for the remarkable job done by them during fire fighting in OHCU on 22.09.2011.

CBR received the prestigious State Safety Award - Second Prize for the year 2008, under the category of Industries – Chemicals of Group A in Scheme II from Government of Tamilnadu in recognition of better safety performance.

Onsite and offsite mock drills were conducted at Cauvery Basin Refinery in July 2012 and February 2013 respectively.

ENVIRONMENTAL PERFORMANCE

Your Company maintains focused attention on the emerging requirements of the environment and the stakeholders and devotes considerable time and resources to adhere to the applicable environmental norms and regulations by implementing various environmental protection measures.

Significant initiatives taken in the areas of environmental protection include:

- Installation of Low NOx Burners to reduce NOx emission from heaters in Refinery - 2.
- Commissioning of three numbers of fixed roof tanks of capacity 10000 KL each for oily water feed to Effluent Treatment Plant (ETP) for reduction of emission of Volatile Organic Compounds from open ponds available earlier.
- Leak Detection and Repair (LDAR) program & Inventorisation of Fugitive emission, for effective control of fugitive emission.
- Installation and commissioning of 10 numbers of solar street lights
- Continuous monitoring of ambient air quality at seven numbers of stations and real time data transfer to State Pollution Control Board.
- Completion of comprehensive waste audit study
- Rain water harvesting

ENERGY CONSERVATION

Your Company accords highest priority for conservation of energy through continuous in-house process improvements, laying emphasis on adopting energy efficient processes and utilizing energy saving devices at the inception stage of all the projects.

The Company has achieved the lowest ever energy index of 67 MBTU/BBL/NRGF.

The following major Energy Conservation Measures were taken in 2012-13 which resulted in energy saving to the extent of 9300 MT of fuel corresponding to financial benefit of ₹ 27 Cr.

- Pre-heat improvement in Crude units
- Shut down of old Hydrogen unit and operating new Hydrogen unit at higher capacity
- Shut down of Kerosene Hydro Treater and Optimum operation of Merox Unit for treating ATF
- Overhauling and improvements in Boiler I.
- Rectification of steam leaks
- Modification in internal stream routing (DHDT Filter backwash routed to feed tank)

The details of proposals being implemented for energy conservation are given in **Annexure I**.

RELIABILITY IMPROVEMENT

Your Company has taken a focused approach to strengthen functioning of Reliability Cell and carried out audit of mechanical, electrical and instrument systems based on industry accepted recommendations of task force on reliability improvement.

PROCESS OPTIMISATION

Your Company has been a pioneer in the field of implementation of optimisation and advanced control techniques.

Several initiatives taken in the areas of Process Improvement include the following :

- Commissioning of the Amine Interconnection Line between Refinery III and DHDS-SRU which enabled the simultaneous operation of OHCU and DHDT.
- Commissioning of Chloride Guard for reduction of chamber off Gas from CCR and utilisation in Fuel gas.
- Carried out Power Plant optimisation study through M/s. NTPC. Implementation of the Study recommendations enabled the Boiler I to achieve its design capacity of 130 MT per hour Vs 123 MT per hour earlier.



QUALITY MANAGEMENT – TPM / ISO

Your Company has made crucial strides in TPM and leveraged the gains derived from it to work with greater coordination for steadily optimizing the operations and produce quality products.

The Manali Refinery of your company submitted the Audit Report to *Confederation of Indian Industry (CII)* for “Excellence in Consistent TPM Commitment Award” – Diagnosis (Pre Audit) Assessment. *M/s. BSI Group India Pvt. Ltd.*, a certifying agency has conducted IMS Surveillance Audit and certified total conformance. It also recommended the continuance of Certificate of Registration for one more year for QMS9001:2008, EMS14001:2004 & OHSAS18001:2007.

Second Surveillance Audit for SHEQ-Integrated Management System by M/s. BVQ was conducted at CBR.

HUMAN RESOURCES

Your Company recognizes the employees as one of the key stakeholders and their contribution is vital for the performance of the Company.

The total manpower of your Company as on 31st March 2013 was 1705, comprising of 805 supervisors and 900 non-supervisors (1745 as on 31st March 2012, comprising of 787 supervisors and 958 non-supervisors).

During the year, a Memorandum of Settlement (LTS-I) under the Industrial Disputes Act, 1947 on the revision of pay and allowances for workmen was signed between the Management and the Unions. Considering the current competitive business scenario and to improve the productivity of your Company, working hours were revised from 42 hours to 48 hours per week.

Your Company continues to engage in dialogue with the collectives in good faith and have longstanding record of continuing operations without work stoppages. During the year 16 structured meetings were held with the collectives.

Your Company carried out Employee Engagement Survey to measure and understand the current level of engagement among its employees.

Five Communication Meetings between Functional Directors, Managing Director and Officers were conducted to discuss about the current business scenario and the role of the Officers in taking the Company forward.

Training and Development of the Human Resources remain the core thrust of the Human Resources Management of the Company. Your Company achieved average training mandays of 2.5 per employee. The programmes were designed to enhance both the technical and behavioural aspects of the employees. Based on the competency mapping, eight competency development programs, covering 142 Deputy Managers were organized.

Your Company has been meticulously following the Presidential Directives and various instructions of the Government relating to the welfare of the SC, ST, OBC, and Persons with Disabilities. Out of the total manpower, there were 420 SC employees (previous year: 433) and 38 ST employees (previous year: 38) as on 31.03.2013 constituting 24.63% and 2.23% of the total manpower respectively.

The statistics relating to representation of SCs / STs / OBCs in the prescribed proforma as on 01.01.2013 is given in the **Annexure-II**.

WELFARE OF WOMEN

Your Company firmly believes that women employees play a pivotal role in the human capital profile of the Company. As on 31.03.2013, 89 women employees were on the rolls of the Company, of whom 43 in the Supervisory Grade and 46 in Non supervisory Grade, constituting 5.34% of the total Supervisory employees and 5.11 % of the total Non-supervisory employees.

Women empowerment through conduct of training programmes in Technical / Development / Functional areas was accorded top priority by the management.

International Women's Day 2013 was celebrated by the women employees of CPCL on 8th of March 2013 with the theme "Women Today – Realities & Opportunities."

Your Company was awarded the Best Enterprise Award in the Miniratna category by Forum of Women in Public Sector (WIPS) for 2013.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company considers CSR as one of the crucial functions to accelerate the process of inclusive development by aligning its business operations with the social and environmental values.

Your Company's CSR activities focus on Education, Health, Skill Development, Environment Protection etc. for ensuring sustainable development of the societies to which it belongs. An amount of ₹ 199.43 lakhs was spent on various CSR activities for the benefit of community around your Refineries at Manali and CBR, Nagapattinam.

Major CSR Activities carried out during the year includes the following:

- Infrastructure facilities, Mobile Lab Science Education program, Merit Scholarships etc. for improving education.
- Sanitation facilities, leading to clean Environment and better Hygiene.
- General Medical Camps in association with various hospitals benefiting around 1000 people.
- Sponsored "Home Management Course" through Tamilnadu Association of the Blind, Chennai for visually Challenged 20 Students (Women) as part of the Women Development Programme.
- Donation of Braille Watches, Walking Sticks & Spectacles to Blind people and Tricycle, Wheel Chairs, Mobile Tea Stalls, Hearing Aids, Artificial Limbs etc. to differently abled people for their livelihood.
- Plantation of 450 taller saplings under the Green Belt development project of Corporation of Chennai through Tamilnadu Forestry Department.
- Job oriented skill development training programme on "Computer Accounting and Fundamentals" for 50 unemployed youth.

OCCUPATIONAL HEALTH SERVICES (OHS) CENTRE

Your Company has state-of-the art Occupational Health Services (OHS) Centre which is equipped with the best of the infrastructures for treating illness and injury prevention for the employees and other workers.

The OHS centre continued its effort to ensure a safe working environment by a scheduled hygiene monitoring and towards achieving this end, about 93 percent of the employees working in the plant areas were covered under the annual medical examination last year.

Three ambulances are provided with an additional emergency assistant travelling in the ambulance along with the driver, to reinforce the emergency care.

As part of World Heart Day celebration, an Echo Cardiogram Screening was done for the benefit of the employees and around 540 employees were screened. Osteoporosis Screening program was conducted in association with Bone and Joint hospital, Chennai benefiting 740 employees.

Eleven programs were organized in order to promote wellness and create awareness of illness for the employees and their dependents. Yoga and Meditation program was organized for the employees to manage their stress level.



Calorie assessment of the food served in the Manali Refinery canteen for the employees was done in coordination with M/s. Sundaram Medical Foundation.

PUBLIC GRIEVANCES

Your Company lays great emphasis on timely redressal of public grievances and continues to implement the Centralized Public Grievances Redress and Monitoring System (CPGRAMS) as per the directives of the Department of Administrative Reforms & Public Grievances, Ministry of Personnel Public Grievances and Pension, Government of India. Details and contact number of Public Grievance Officer are displayed in the website of the Company, viz. **www.cpcl.co.in**. As on 31.03.2013, there were no complaints pending.

RISK MANAGEMENT

The reports under the Risk Management Policy for the year 2012-13 were reviewed by the Executive Committee and also by the Audit Committee and Board of Directors of the Company.

CORPORATE GOVERNANCE

Your Company firmly believes that timely disclosures, transparent accounting policies, fairness to all stakeholders, effective monitoring of corporate affairs and enhancement of long term corporate value are the cornerstones of good corporate governance.

Your Company complied with all the mandatory requirements of Corporate Governance Guidelines issued by Securities & Exchange Board of India and Department of Public Enterprises (DPE), Government of India for the year 2012-13, except the clause relating to the appointment of Independent Directors. A separate section on Corporate Governance forms part of this Annual Report.

Your Company also complies with the Voluntary Guidelines on Corporate Governance issued by Ministry of Corporate Affairs, Government of India in December 2009, as far as practicable.

SECRETARIAL AUDIT

In line with the provisions of the Voluntary Guidelines on Corporate Governance issued by the Ministry of Corporate Affairs, your Company carried out Secretarial Audit for the year 2012-13 from M/s. S.Sandeep & Associates, Company Secretaries and their report forms part of the Annual Report. The Secretarial Audit Report confirms that the company has complied with all the applicable provisions of the Companies Act, SEBI Guidelines, rules, etc except the clause relating to appointment of Independent Directors. The appointment of additional Independent Directors is under the consideration of Government of India.

RIGHT TO INFORMATION

The Right to Information Act, 2005 is applicable to your company. In accordance with the provisions of the RTI Act, necessary disclosures have been made in the website of the company.

During the year, 52 applications under the RTI Act were received and disposed off in time.

VIGILANCE

The vigilance department of your Company continues to assist the management in promoting transparency, fairness and accountability amongst the employees, while discharging its responsibilities.

Continuous focus is maintained on leveraging the technologies which has resulted in clearing 99% of the bills of the Vendors, contractors and service providers through ECS / EFT.

In line with the CVC guidelines, your Company has hosted the notice inviting tender, tender documents, details of purchase orders and contracts awarded in its website.

Vigilance awareness week was observed with the theme 'Transparency in Public Procurement' during October – November 2012 with active participation from a cross section of stakeholders.

INTEGRITY PACT

Your Company has implemented the Integrity Pact in order to promote the level of transparency in procurement and contracts.

25 major contracts/ works were covered under the Integrity pact during the year. Periodical review meetings were held with Independent External Monitors to monitor the implementation of Integrity Pact in the Company.

OFFICIAL LANGUAGE POLICY

Your Company has an Official Language Implementation Committee which meets every quarter to monitor the Implementation of Official Language Policy of the Government of India in the Company.

Hindi classes are conducted in order to train employees in Official Language. Employees are encouraged through incentives to carry out official work in Hindi.

Your Company has a Hindi Website along with the English Website. CPCL News, an in-house monthly magazine is also published in Hindi. Replies to Parliamentary Questions are sent in bilingual form. All India Advertisements and Tenders are also published in Hindi Newspapers.

Hindi Week was celebrated at Corporate Office, Chennai from 09.09.2012 to 14.09.2012. Hindi Day was celebrated at Cauvery Basin Refinery on 04.10.2012. Various Hindi competitions were conducted for employees and their family members to mark this occasion.

STATUTORY INFORMATION

- Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 – Nil
- Statutory details of Energy Conservation and Technology Absorption, R&D activities and Foreign Exchange Earnings and Outgo, as required under Section 217(1) (e) of the Companies Act, 1956 and the rules prescribed thereunder, i.e., the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure and form part of this Report (Please refer Annexure-I).
- Certificate received from the Auditors of the Company regarding compliance of conditions of Corporate Governance, as required under Clause 49 of the Listing Agreement and also the compliance with the guidelines on Corporate Governance issued by Department of Public Enterprises, Government of India is annexed and forms part of this Report (Please see Annexure-III).
- Management Discussion and Analysis Report as required under Clause 49 IV F of the Listing Agreement is annexed and forms part of the Report (Annexure IV).

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000 with respect to Directors' Responsibility Statement, it is hereby confirmed, that,

- i) In the preparation of the annual accounts for the financial year ended March 31, 2013, the applicable accounting standards have been followed and that there are no material departures from the same;



- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the annual accounts for the financial year ended March 31, 2013, on a going concern basis; and
- v) Proper systems are in place to ensure compliance of all laws applicable to the Company.

STATUTORY AUDITORS

M/s. Chandran & Raman, Chennai and M/s S.Venkatram & Co., Chennai have been appointed as Joint Statutory Auditors of the Company for the financial year 2012-2013 by the Comptroller and Auditor General of India. The Board of Directors of the Company fixed a remuneration of Rs. 10 lakh (Rs. 5 lakh to each of the Joint Statutory Auditors) in addition to the out-of-pocket expenses, if any, and applicable service tax.

Mr. K. Suryanarayanan, Cost and Management Accountant, Chennai was appointed as the Cost Auditor of Manali Refinery and Cauvery Basin Refinery of the Company in respect of Petroleum and Petrochemical sector at a total remuneration of Rs.1,70,000/- p.a. plus applicable taxes and out of pocket expenses, if any, to conduct the audit of Cost Accounts maintained by the Company.

ENTERTAINMENT EXPENSES

The entertainment expenses for the year 2012-13 were Rs. 24.96 lakhs as compared to Rs. 43.82 lakhs in the last year.

SUBSIDIARY COMPANIES

Your company has no subsidiaries.

DIRECTORS

Mr. P.K. Singh, Director (R&A), Ministry of Petroleum and Natural Gas ceased to be a Director on the Board of CPCL effective 11.09.2012.

Mr. Ahmad Azmoodeh has been appointed as a Director on the Board of CPCL effective 23.05.2013 in place of Mr. Mansoor Rad.

Your Directors place on record their appreciation of the valuable contributions made by Mr. P.K. Singh and Mr. Mansoor Rad during their tenure.

ACKNOWLEDGEMENT

Your Directors are highly grateful for all the help, guidance and support received from the Ministry of Petroleum & Natural Gas, Indian Oil Corporation Limited, Naftiran Intertrade Company Limited, Petroleum Planning and Analysis Cell, Oil Industry Development Board, Oil Industry Safety Directorate, Centre for High Technology, the other Ministries of Government of India, Government of Tamil Nadu, Central Vigilance Commission, Financial Institutions and commercial banks.

Your Directors acknowledge the constructive suggestions received from the Statutory Auditors and the Comptroller & Auditor General of India.

Your Directors are thankful to all the shareholders for their faith, trust and confidence reposed on the Company.

Your Directors place on record the contribution of the employees at all levels.

For and on behalf of the Board of Directors

Date : 22.07.2013

Place : New Delhi

R.S. BUTOLA
Chairman

Annexures to Directors' Report

ANNEXURE-I

ANNEXURE TO DIRECTORS' REPORT ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AS PER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1998

A. CONSERVATION OF ENERGY

a) The following Energy conservation measures were taken:

- Shut down of Kerosene Hydro Treater and treating ATF in Merox unit.
- Shut down of old Hydrogen reformer unit and operating the new HGU at higher capacity
- Reduction in power export
- Pre-heat improvement in Crude units
- Rectification of steam trap systems & steam leaks
- Overhauling and improvements carried out in Boiler I

b) Additional Investments and proposals, if any, being implemented for energy conservation

The following additional investment proposals are being implemented:

- a. PSA-II Revamp for higher H₂ recovery
- b. Steam trap management for the balance areas in the Manali refinery
- c. Low pressure operation in DHDT
- d. Boiler efficiency improvement
- e. Stopping of one air blower compressor in FCCU by utilizing Oxygen from the new N₂-O₂ plant

c) Impact of the measures at a) and b) above for reduction of Energy consumption and consequent impact on the cost of production of goods

The measures mentioned in (a) above, which were implemented in 2012 – 13, resulted in an estimated saving of about 9300 MT/ annum of Fuel Oil equivalent.

d) Total Energy Consumption and Energy consumption per unit of production as per Form A of the Annexure in respect of Industries specified in the Schedule thereto:

Conservation of Energy as per Form A is given in Attachment-I.

B. TECHNOLOGY ABSORPTION / RESEARCH AND DEVELOPMENT ACTIVITIES

Efforts made in Technology absorption / Research and Development activities as per Form B is given in Attachment II.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Activities relating to exports: Initiatives taken to increase exports. Development of new export markets for products and services and export plans.

The company has exported 974.3 TMT of products comprising of Naphtha (147.8 TMT), HFO (826.5 TMT) for a total value of ₹ 3510.12 Cr

- b) Total foreign Exchange used and earned

(₹ in Lakhs)

	2012-13	2011-12
Used	7120.51	11463.04
Earned	-	15666.57



ATTACHMENT - I

ANNEXURE TO DIRECTORS' REPORT ON ENERGY CONSERVATION
FORM A
Form for disclosure of particulars with respect to Conservation of Energy

	Current Year 2012-13	Previous Year 2011-12
A. Power and Fuel Consumption		
1. Electricity		
a) Purchased		
Unit (in million KW Hr.)	9.075	13.648
Total Amount (₹ in Crore)	4.84	5.66
(excluding demand and other charges)		
Demand and other charges (₹ in Crore)	8.91	9.15
Rate/Unit (average) (₹ /KWHr.)	5.33	4.14
(excluding demand and other charges)		
b) Own generation		
Through diesel generator	Not applicable	Not applicable
Through steam turbine/generator		
Unit (in million KW Hr.)	281.566	304.166
Units per litre of fuel oil/gas	2.62	3.29
Fuel Cost/Unit (₹)	12.95	10.16
2. Coal	Not applicable	Not applicable
3. Furnace Oil		
Quantity (in thousand K.Litres)	420.918	493.359
Average rate (₹ /MT)	36399.80	35288.34
4. Others/Internal generation fuel gas For Manali Refinery Only		
Gas Turbine		
Quantity		
Power (in million KW Hr.)	398.062	408.17
Fuel (in thousand MTs)	135.932	140.394
Total cost (₹ in Crore)	726.94	678.41
Fuel cost/Unit (₹)	18.26	16.62
Fuel Gas (TMT) (including CBR)	133.859	130.459
B. Consumption Per Unit of Production		
Electricity (KWHr/MT of crude)	70.69	68.77
Furnace oil (Kg/MT of Crude)	39.75	47.26
Coal	Not applicable	Not applicable
Other (specify)		
FCCU Coke (Kg/MT of Crude)	3.94	3.96
Fuel Gas (Kg/MT of Crude)	14.00	12.36

FORM B

RESEARCH AND DEVELOPMENT (R&D) ACTIVITIES**1. Specific Areas in which R&D was carried out by the company**

- Evaluation of New Crudes processed in the Refinery
- Selection of Catalysts and Additives for FCC Unit
- Evaluation of new catalysts for Hydro processing units
- Pilot plant studies on co-processing of vegetable oil for Green diesel /ATF.

2. Benefits derived as a result of the above R&D

As per Annexure

3. Future plan of action

- Bio Lubricants
- Non Platinum based catalysts for Light Naphtha Isomerisation.
- Algae to Bio Crudes

4. Expenditure on R&D

(₹ In Lakhs)

	2012 -13	2011 - 12
Capital	9.46	27.31
Recurring	410.63	408.30
Total	420.09	435.61
Total R&D expenditure		
As % of Turnover	0.0090	0.0096

5. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**1. Efforts in brief, made towards technology absorption, adaptation and innovation:**

- A collaborative project on “Desulfurisation of Fuel Oil “ is initiated with IIP,Dehradun and the project is funded by CHT. The research project aims at developing a process for reducing with sulfur content 3 to 5.5 wt% in Fuel oil to less than 1%. The objective of the project is to develop an innovative process based on non HDS route like extraction followed by oxidative desulfurization for reduction of sulfur content in fuel oil. Laboratory studies on Extraction and Desulfurisation and developing a process scheme for scaling up is in progress.
- CPCL is collaborating with Sud-Chemie India Ltd. for development of Naphtha hydrotreating catalysts with high HDS activity to meet the sulfur content in the treated naphtha of less than 1 ppm. Three catalyst recipes were evaluated in our pilot plant and further study on catalyst development is in progress.
- Detailed assay on 13 crude mixes processed in the refinery including new crude namely Kissanje was completed.
- Pilot Plant Studies of co-processing of vegetable oil (Jatropha and Pongamia) with Diesel and ATF were conducted at R&D.

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

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

In case of imported technology (imported during the last 5 years reckoned from the financial year) following information may be provided:

- | | |
|--|------------------|
| a. Technology imported | : Nil |
| b. Year of Import | : Not applicable |
| c. Has technology been fully absorbed | : Not applicable |
| d. If not fully absorbed, areas where this has not taken place | : Not applicable |



ANNEXURE TO FORM B - BENEFITS DERIVED AS A RESULT OF R&D ACTIVITIES

Crude Assay

- Detailed assay on several crude mixes processed in the refinery and two new crudes namely Kissanje and Essider were carried out.

Process Optimization Studies:

- FCC catalysts and additives were studied in ACER MAT unit for selection of new catalyst and additives.

R&D provides to support to Refinery operations in trouble shooting process unit problems. The following studies at R&D helped in troubleshooting unit related problems:

- To identify operational constraints in the CDU/VDU II unit after the revamp, TBP/ Potstill distillation was conducted for five crude samples and the yield was compared with plant yield data.
- Dewaxing aid evaluation was carried out at R&D for effective dewaxing of BN Raffinate.
- R&D carried out Sulfur species analysis of Diesel samples collected from various points in DHDT preheat exchangers to confirm and identify the source of exchanger tube leaks.

ANNEXURE - II (SC/ST/OBC REPORT - I)

**ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCs/STs & OBCs AS ON 01.01.2013
AND NUMBER OF APPOINTMENTS MADE DURING THE PRECEDING CALENDAR YEAR**

GROUPS	Representation of SCs/STs/OBCs as on 01.01.2013				No. of appointments made during the calendar year 2012(Jan - Dec 2012)									
					By Dir.Recruitment				By Promotion			By Deptn/Absorption		
	Tot.no. of employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group A Managerial / Executive Level	544	151	19	41	Nil	Nil	Nil	Nil	30	8	2	1	Nil	Nil
Group B Supervisory Level	265	52	10	34	15	2	2	1	Nil	Nil	Nil	1	Nil	Nil
Group C Workmen / Clerical Level	903	220	8	312	5	1	Nil	2	Nil	Nil	Nil	Nil	Nil	Nil
Group D	5	1	2	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Group D (Semi- skilled / unskilled excluding Sweepers)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Group D (Sweepers)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
TOTAL	1717	424	39	387	20	3	2	3	30	8	2	2	Nil	Nil

(SC/ST/OBC REPORT - II)

**ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCs/STs & OBCs IN VARIOUS
GROUP "A" SERVICES AS ON 01.01.2013 AND NUMBER OF APPOINTMENTS
MADE IN VARIOUS GRADES IN THE PRECEDING CALENDAR YEAR**

PAY SCALE (In Rupees)	Representation of SCs/STs/OBCs as on 01.01.2013				No. of appointments made during the calendar year 2012 (Jan - Dec 2012)									
					By Dir.Recruitment				By Promotion			By Other Methods		
	Tot.no. of employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
29100 - 54500	213	56	7	20	Nil	Nil	Nil	Nil	30	8	2	1	Nil	Nil
32900 - 58000	131	34	8	13	Nil	Nil	Nil	Nil	19	4	1	Nil	Nil	Nil
36600 - 62000	64	21	2	7	Nil	Nil	Nil	Nil	10	3	1	Nil	Nil	Nil
43200 - 66000	70	23	2	1	Nil	Nil	Nil	Nil	3	Nil	Nil	Nil	Nil	Nil
51300 - 73000	41	10	0	0	Nil	Nil	Nil	Nil	2	1	Nil	Nil	Nil	Nil
51300 - 73000	18	6	0	0	Nil	Nil	Nil	Nil	1	Nil	Nil	Nil	Nil	Nil
51300 - 73000	7	1	0	0	Nil	Nil	Nil	Nil	2	1	Nil	Nil	Nil	Nil
TOTAL	544	151	19	41	Nil	Nil	Nil	Nil	67	17	4	1	Nil	Nil



ANNEXURE - III

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Shareholders of
Chennai Petroleum Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Chennai Petroleum Corporation Limited for the year ended March 31, 2013 as stipulated under Clause-49 of the Company's Listing Agreement with the Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the above mentioned Listing Agreement, for the year ended March 31, 2013, except for the number of Independent Directors on the Board which was less than half of the strength of the Board as required under Clause 49 of the Listing Agreement.

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

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

For **M/s. S. Venkatram & Co.**
Chartered Accountants

R. Vaidyanathan
Partner
Membership No. 18953
FRN: 004656S

For **M/s. Chandran & Raman**
Chartered Accountants

P.N. Ramachandran
Partner
Membership No. 13871
FRN: 000571S

New Delhi
May 28, 2013

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Shareholders of
Chennai Petroleum Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Chennai Petroleum Corporation Limited for the year ended March 31, 2013 as stipulated in the guidelines on Corporate Governance for Central Public Sector Enterprises, 2007 as enunciated by the Department of Public Enterprises (DPE).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the DPE Guidelines for the year ended March 31, 2013, except for the number of Independent Directors on the Board which was less than half of the strength of the Board as required under the said guidelines.

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

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

For **M/s. S. Venkatram & Co.**
Chartered Accountants

R. Vaidyanathan
Partner
Membership No. 18953
FRN: 004656S

For **M/s. Chandran & Raman**
Chartered Accountants

P.N. Ramachandran
Partner
Membership No. 13871
FRN: 000571S

New Delhi
May 28, 2013



MANAGEMENT DISCUSSION AND ANALYSIS
(Forming part of the Directors' Report for the year ended 31.03.2013)

Economic Overview

The global economic environment during 2012-13 was challenging. Growth slipped in advanced economies as a group, EU experienced further weakening, while US & Japan did show signs of improvement, their growth rates continued to be low. Among advanced economies, during Q1 of 2013, growth in US and Japan improved while that in the Euro area contracted. The Emerging economies also witnessed a significant deceleration in growth on account of weak external situation and their domestic issues and constraints. In 2013, consolidation is expected in the global economic scenario, with advanced economies group projected to grow at the same rate of 1.2% in 2013 as was in 2012 and emerging economies group is projected to experience acceleration in their growth.

Growth and more particularly industrial growth in India slowed down in 2012-13, but the decline appears to have bottomed out. Overall economic growth is expected to rise to more than 6.0 per cent in 2013-14 from 5 per cent in 2012-13. Inflation continues to remain high, but there are definite signs that headline WPI inflation is coming down. As inflation comes down, it may create more space for monetary policy to support growth. The oil sector has seen some signs of reform but more reforms are required in the entire energy sector to push growth.

The rising fiscal deficit was one of the major concerns last year but the most recent number on the country's fiscal deficit, at 4.9 per cent of GDP for 2012-13, has turned out better than expected and instills confidence in the Government's commitment to contain the fiscal deficit for 2013-14 at 4.8 per cent. These developments, which have been acknowledged by international credit rating agencies, should have a favorable impact on investor confidence.

High current account deficit was a major concern during the year: which stood at 4.8% of GDP in 2012-13. Another area of concern on the external sector front, has been the movement in the exchange rate. The rupee slumped to a record low in recent past, impacting the overall external account.

Energy Scene

The rate of growth of global primary energy consumption (12476.6 MTOE) was 1.8% in 2012. China and India accounted for nearly 90% of the net increase in the global energy consumption. Oil continues to be the world's leading fuel at 33.1% of primary global energy consumption followed by coal at 29.9% and Gas at 23.9%.

India's Primary Energy consumption in 2012 at 563.5 mtoe registered a growth of 5.1% with 4.5% share in global primary energy consumption. While Coal continues to remain a major fuel at 52.9% share in Primary Energy consumption, Oil's share is 30.5% followed by Gas at 8.7%. On domestic Oil production front, India produced around 1.1% of global oil at 0.92 mbd, a decline of 0.034 mbd from previous year. India's Natural Gas production at around 40.2 bcm in 2012 was 1.2% of global production and declined by 13.1% compared to 2011.

The world energy scenario has witnessed significant changes with resurgence of growth in oil and gas production on account of production from unconventional hydrocarbons and continued stress on use of renewable energy sources like wind and solar, supported by Government policy interventions across the globe. Increased production of oil and gas by United States will reduce imports into American continent and will impact oil and gas trade flows across the world, as oil movement will be predominantly from Gulf to Asian countries. While the average Brent Crude price in 2012-13 came down to \$ 110/bbl from \$ 114 / bbl in 2011-12, the global oil demand marginally increased by 0.9 % to 89.7 mbd. India imports about 78% of its crude oil consumption and the total crude oil import bill in 2012-13 shot upto \$ 144 billion from \$ 138 billion in the previous year.

Refining Industry and Oil Market Developments

Global Refining capacity stands at 92.5 mbd with a marginal 0.4% growth in 2012, whereas Asia Pacific Refining capacity registered a growth of 3.3% to reach a capacity of 30.1 mbd and a share of 32.6% in Global Refining Capacity. India with 4.1 mbd Refining capacity in 2012 achieved 8.8% growth rate and a share of 4.4% in Global Refining Capacity.

The 4.9% growth in petroleum products consumption in India was mainly contributed by growth in demand for HSD (6.8%) , MS (5%) , Naphtha (9.5%) and Petcoke (48.5%) whereas demand for FO & LSHS, ATF and SKO registered negative growth at 17.5%, 4.8% and 8.8% respectively.

The Indian Refineries have processed 218.8 MMT of crude during 2012-13 as compared to 203.8 MMT in 2011-12. As the production is more than the demand for petroleum products, India has emerged as a major exporter of petroleum products with exports of 63.8 MMT during 2012-13.

Opportunities and Challenges

As per the Report of the Working Group on Petroleum & Natural Gas for XII plan, the demand for petroleum products in India is expected to grow at around 5% CAGR during the XII plan period and reach 245 MMT by the end of XIII plan. Further, over the long term as well, India is projected to be one of the fastest growing markets for oil and grow at rates significantly higher than the world average, implying abundance of growth opportunities in the Indian petroleum products market.

The supply of LNG in India is expected to increase in next 5 years as many LNG Import Terminal project proposals are at various stages of approvals and implementation. This along with domestic production should increase gas supplies in the country. Natural Gas at right prices provides a good alternative as a fuel in refineries besides many other applications in industrial and city gas distribution. CPCL is already working on changes that are required in internal equipments and process modifications to utilize natural gas as fuel in refinery operations. IOCL is in the process of setting up 5.0MMTPA LNG terminal at Ennore which will provide Natural Gas to the refinery and usage of gas will also help in reducing the pollution level in Manali industrial area significantly.

India being highly dependent on imports for meeting its energy needs, sourcing of crude has to be optimized to meet the twin objectives of low cost energy as well as secured supply. CPCL proposes to continue its efforts to widen the crude basket to increase the capability to process a variety of crudes including heavy & high TAN Crude oils. Necessary infrastructure like additional tanks will be created to handle and process different types of crudes in Manali and CBR.

Energy efficiency has been identified as one of the major solutions to reduce carbon foot print from industrial activities and vehicular pollution. Also, energy generation requires lot of water for various purposes in the processes as well as for cooling purpose. One of the key utilities i.e Water being essential for both industrial and living purposes, there is a likely chance of crisis in water availability and water shortages which in turn calls for sizeable investments towards higher level of water recycling and re-use in refineries.

One of the major concerns and challenges for the Corporation today is the Refinery profitability. In the year 2012-13 both physical and financial performance was low due to planned shutdown of Refinery-II , unplanned shutdown of some critical units, consequent lower distillates and higher fuel & loss and lower Gross Refining Margins. The Corporation also incurred higher interest cost burden followed by foreign exchange losses due to rupee depreciation accompanied with higher operating costs which resulted in overall loss for the Corporation during the year 2012-13. These issues are being addressed through many initiatives to improve reliability in operations, to reduce fuel & loss, to conserve water by reducing steam leaks through steam leaks management system, and crude oil inventory management etc.



Risks and Concerns

Your Corporation has formulated a well-defined policy framework including implementation procedure and monitoring mechanism for the risk management system. Risk Managers are evaluating the identified risks on periodical basis.

Some of the key Risk areas that your Corporation encounters are Foreign Exchange Market fluctuation, Geo-Political escalations, safety & security aspects & statutory clearances which are discussed as under.

Rupee depreciation

In 2012-13 Indian Rupee depreciated by around 6.31 % against US Dollar adversely impacting the Corporation's financials. Now in 2013-14, till date the Rupee's sharp fall is likely to have a major negative impact on the Petroleum sector as well as on stand alone Refining companies like CPCL in particular considering their large crude oil import dependence and increased foreign currency borrowing cost.

Geo Politics

The escalation of geo political unrest & tensions as witnessed during the year under review, pose the risk of adversely affecting the international crude oil prices and smooth & timely supply of imported crude oil. Crude Supply risk may be caused due to any stressed geo political situation with the supplier nation, shipping route, non-availability of suitable Crude vessel etc.

Safety & Security

Considering the hazardous nature of processes involved in transportation, storage & refining crude oils, storage & handling of petroleum products, safety and security is a priority concern for all times and at all locations. Your Corporation is fully committed towards compliance of all the guidelines with respect to Health-Safety- Environment and Security

Statutory Clearances:

The ban on Manali region for any new and expansion projects is also an area of concern since it limits the possibility of expanding capacities of CPCL plants as well as the downstream units that could provide opportunities for CPCL to increase production of petrochemical feed-stocks. The current level of CEPI in Manali industrial area is below the threshold level of 70. With the efforts being made by the industries to reduce pollution levels further in Manali region and subsequent lifting of ban in future, much needed investments into this region can be realized.

Internal Control Systems And Their Adequacy

Your corporation remains committed to ensure an effective internal control environment that provides assurance on the efficiency of operations, optimum utilization & use of resources, security of assets and accurate reporting of financial transactions. Internal audit department functions under the supervision of the Audit Committee chaired by an Independent Director. Your Corporation has a well established internal control review mechanism which assures effective internal control environment to the Audit Committee and Board of Directors.

Your Corporation has a full fledged Internal Audit Department comprising of personnel drawn from various functions in order to monitor the operations of the Corporation through regular extensive audits. Significant audit findings, internal audit reports and adequacy of internal control systems are periodically reviewed at various levels like Management Audit Committee and Audit Committee etc.

Financial Performance

The Directors' Report has adequately dealt with this subject.

Operational Performance

The Directors' Report has adequately dealt with this subject.

Material Developments and Human Resources / Industrial Relations

The Directors' Report has adequately dealt with this subject.

Cautionary Statement

Statements in the Management's Discussion and Analysis and Director's Report, describing the Company's focal objectives, expectations or anticipations are forward looking statements & progressive within the meaning of applicable securities, laws and regulations. Actual results may differ materially from the expectations; those expressed or implied depending upon economic conditions, Government policies and other incidental factors. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of products, input availability and prices, changes in Government regulations / tax laws, environmental stipulations, economic developments within the country and factors such as litigation and industrial relations.



Report of the Statutory Auditors

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Independent Auditors' Report

To

The Members of Chennai Petroleum Corporation Limited

Report on the Financial Statements:

1. We have audited the accompanying financial statements of Chennai Petroleum Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility:

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements:



7. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we enclose in the Annexure-I a statement on the matters specified in paragraphs 4 and 5 of the said Order.
8. As required by section 227(3) of the Act, we report that
- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) Disclosure in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 is not required for Government Companies as per notification No. GSR829 (E) dated October 21, 2003, issued by the Department of Company Affairs.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Annexure to Auditors' Report

ANNEXURE - I

Place : New Delhi
Date : May 28, 2013

CHANDRAN & RAMAN
Chartered Accountants
FRN NO: 000571 S
P.N.Ramachandran
Partner
Membership No. 13871

S.VENKATRAM & CO
Chartered Accountants
FRN NO: 004656 S
R.Vaidyanathan
Partner
Membership No. 18953

Referred to in paragraph 7 of Our Report of even date

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

- (i) In respect of Fixed Assets
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) All the assets have not been physically verified by the management during the year but there is a regular program of verification, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c) During the year, no substantial part of fixed assets of the company was disposed off.
- (ii) In respect of Inventories:
 - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) We are informed that there is no company, firm or party to be listed in the Register referred to in Section 301 of the Companies Act, 1956 and hence we have no comments to offer in respect of clauses 4 (iii) (a), 4 (iii) (b), 4 (iii) (c), 4 (iii) (d), 4 (iii) (e), 4 (iii) (f) and 4 (iii) (g) of the Companies (Auditor's Report) Order, 2003.
- (iv) In our opinion and according to the information and explanations given to us, there exist an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.
- (v) We are informed that there is no company, firm or party to be listed in Register referred to in Section 301 of the Companies Act, 1956 and hence we have no comments to offer in respect of clauses 4 (v) (a) and 4 (v) (b) of the Companies (Auditor's Report) Order, 2003.
- (vi) The Company has not accepted any deposits from the public. Hence we have no comments to offer in respect of causes 4 (vi) of Companies (Auditor's Report) Order, 2003.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (ix) In respect of Statutory Dues:
 - a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. We are informed that there are no employees who are eligible to be covered under Employee's State Insurance Scheme.

The company, in the absence of suitable notification by the Central Government specifying



the applicable rates of cess under section 441A of the Companies Act, 1956 on turnover payable by the company, towards Rehabilitation and Revival fund, the company has neither paid nor provided for cess.

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, customs duty and excise duty were in arrears as at 31.03.2013 for a period more than six months from the date they become payable.
- c) The details of disputed dues of Income tax, Sales Tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess, which have not been deposited, are given in Annexure – II to our report.
- (x) The company does not have any accumulated losses as on 31st March 2013. The company has incurred cash loss of ₹ 132316.12 Lakhs during the financial year covered by our audit and no cash loss was incurred in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or banks.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence we have no comments to offer in respect of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003.
- (xiii) The Company is not a chit fund or a nidhi, mutual benefit fund/society. Therefore, the provision of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) The Company is not dealing in or trading in Shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions. Hence we have no comments to offer in respect of clause 4 (xv) of the Companies (Auditor's Report) Order, 2003.
- (xvi) No term loans were obtained by the Company during the year under Audit.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, as at March 31, 2013, we report that funds raised on short term basis of ₹ 12938 lakhs have been used during the year for long term investment. Further the Company has explained that steps are being taken to augment long term funds.
- (xviii) The company has not issued shares during the year and hence we have no comments to offer in respect of clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003.
- (xix) According to the information and explanations given to us, during the year the company had issued 10,000 Secured Redeemable non convertible debentures of ₹ 10 lakhs each. The Company has created security in respect of debentures issued.
- (xx) The Company has not raised any money by public issue during the year under audit. Hence we have no comments to offer in respect of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Place : New Delhi
Date : May 28, 2013

CHANDRAN & RAMAN
Chartered Accountants
FRN NO: 000571 S
P.N.Ramachandran
Partner
Membership No. 13871

S.VENKATRAM & CO
Chartered Accountants
FRN NO: 004656 S
R.Vaidyanathan
Partner
Membership No. 18953

Statement of Disputed Dues

Annexure - II

Name of the Statute	Nature of the dues	Disputed Amounts (₹ in Lakhs) (Including Interest)	Amount paid under protest / Predeposit (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
TamilNadu Value Added Tax Act	Value Added Tax Dues	5592.08	-	2007-08	High Court (Tamil Nadu)
TamilNadu Value Added Tax Act	Value Added Tax Dues	1308.41	470.16	2007-08	Joint Commisioner (Appeals) - Tamil Nadu
TamilNadu Value Added Tax Act	Value Added Tax Dues	6871.86	-	2008-09	High Court (Tamil Nadu)
TamilNadu Value Added Tax Act	Value Added Tax Dues	442.67	129.18	2008-09	Joint Commisioner (Appeals) - Tamil Nadu
TamilNadu Value Added Tax Act	Value Added Tax Dues	3916.48	-	2009-10	High Court (Tamil Nadu)
TamilNadu Value Added Tax Act	Value Added Tax Dues	2055.55	342.59	2009-10	Joint Commisioner (Appeals) - Tamil Nadu
Andhra Pradesh Value Added Tax Act	Value Added Tax Dues	1731.81	626.20	Apr - 2005 to Nov - 2007	AP State Appellate Tribunal
Central Sales Tax Act	Sales Tax Dues	161.99	-	1991-92	TN State Appellate Tribunal
Central Excise Act	Excise Dues	127.31	-	Aug 2003 to May 2004	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act	Excise Dues	98.78	-	Jan 2005 to Jun 2005	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act	Excise Dues	100.11	6.50	Jan 2005 to Feb 2005	Customs Excise and Service Tax Appellate Tribunal



Comments of CAG

Comments of the Comptroller and Auditor General of India ~~~⇒ 61



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF CHENNAI PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED MARCH 31, 2013.

The preparation of financial statements of **Chennai Petroleum Corporation Limited** for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 28-05-2013.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of **Chennai Petroleum Corporation Limited** for the year ended 31 March 2013. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under section 619(4) of the Companies Act, 1956.

For and on the behalf of the
Comptroller & Auditor General of India

(M.V. RAJESWARI)

PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
AND EX-OFFICIO MEMBER AUDIT BOARD, CHENNAI

Place: Chennai

Date: July 10, 2013



Financial Information

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Balance Sheet as at March 31, 2013

(₹ in Lakhs)

Particulars	Note No.	March 31, 2013	March 31, 2012
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds:			
a) Share Capital	2	14900.46	14900.46
b) Reserves and Surplus	3	187729.25	364413.23
		202629.71	379313.69
(2) Non-Current Liabilities			
a) Long-term borrowings	4	114277.91	83454.67
b) Deferred tax liabilities (Net)	5	70709.19	63793.97
c) Other Long-term liabilities	6	593.49	526.97
d) Long-term provisions	7	2795.51	2636.85
		188376.10	150412.46
(3) Current liabilities			
a) Short-term borrowings	8	456434.02	259321.44
b) Trade payables	9	470890.61	602660.29
c) Other current liabilities	6	78258.58	89821.64
d) Short-term provisions	7	13522.18	15207.34
		1019105.39	967010.71
TOTAL		1410111.20	1496736.86
II ASSETS			
(1) Non-Current Assets			
a) Fixed Assets			
i) Tangible Assets	10	455731.23	370131.97
ii) Intangible Assets	11	1052.69	1512.56
iii) Capital Work-in-Progress	12	16869.88	100759.39
iv) Intangible Assets under development	13	472.02	472.02
		474125.82	472875.94
b) Non-current investments	14	2424.64	2363.02
c) Long-term loans and advances	15	8564.16	9280.49
		485114.62	484519.45
(2) Current Assets			
a) Inventories	17	638652.03	635971.64
b) Trade receivables	18	254973.15	343074.97
c) Cash and cash equivalents	19	4091.15	3860.32
d) Short-term loans and advances	15	27196.64	28883.71
e) Other current assets	16	83.61	426.77
		924996.58	1012217.41
TOTAL		1410111.20	1496736.86
Statement of Significant Accounting Policies	1		
Notes on Financial Statement	2 to 34		

(A.S.Basu)
Managing Director(D.Lilly)
Director (Finance)(M.Sankaranarayanan)
Company Secretary

As per our Report of even date

Place : New Delhi
Date : May 28, 2013Chandran & Raman
Chartered Accountants
P.N. Ramachandran
Membership No.13871
FRN: 000571SS. Venkatram & Co.
Chartered Accountants
R. Vaidyanathan
Membership No.18953
FRN: 004656S



Statement of Profit and Loss for the year ended March 31, 2013

(₹ in Lakhs)

	Particulars	Note No.	March 31, 2013	March 31, 2012
I.	Revenue from Operations (Gross)	20	4685923.82	4539652.21
	Less: Excise Duty		397595.71	458866.23
	Revenue from Operations (Net)		4288328.11	4080785.98
II.	Other Income	21	2375.98	6464.03
III.	Total Revenue		4290704.09	4087250.01
IV.	Expenses:			
	Cost of materials consumed	22	4133931.91	3934019.39
	Purchase of Stock-in-Trade		132326.24	34886.42
	Changes in Inventories of finished goods and Work-in-progress (Increase) / Decrease	23	(20499.22)	(53738.72)
	Employee benefits expense	24	31543.37	25321.36
	Finance costs	25	46876.23	24937.94
	Depreciation and Amortisation on :			
	a) Tangible Assets	10	36992.77	35770.98
	b) Intangible Assets	11	459.87	770.94
	Other expenses	26	98781.79	100182.71
	Total expenses		4460412.96	4102151.02
V.	Profit / (Loss) before Prior Period, Exceptional and Extraordinary Items and Tax		(169708.87)	(14901.01)
VI.	Income / (Expenses) pertaining to previous years (Net)	27	(59.89)	(920.54)
VII.	Profit / (Loss) before Exceptional and Extraordinary Items and Tax		(169768.76)	(15821.55)
VIII.	Exceptional Items		-	-
IX.	Profit / (Loss) before Extraordinary Items and Tax		(169768.76)	(15821.55)
X.	Extraordinary Items		-	-
XI.	Profit / (Loss) Before Tax		(169768.76)	(15821.55)
XII.	Tax expenses:			
	(a) Current tax		-	-
	(b) Pertaining to earlier years		-	(25350.80)
	(c) Deferred tax		6915.22	3346.75
XIII.	Profit / (Loss) for the period from continuing operations(XI-XII)		(176683.98)	6182.50
XIV.	Profit / (Loss) from discontinuing operations		-	-
XV.	Tax expense of discontinuing operations		-	-
XVI.	Profit / (Loss) from discontinuing operations(after tax) (XIV-XV)		-	-
XVII.	Profit / (Loss) for the period (XIII+XVI)		(176683.98)	6182.50
XVIII.	Earning per equity share:			
	(a) Basic (₹)		(118.65)	4.15
	(b) Diluted (₹)		(118.65)	4.15
	Face Value per share (₹)		10.00	10.00

Statement of Significant Accounting Policies 1

Notes on Financial Statement 2 to 34

(A.S.Basu)
Managing Director

(D.Lilly)
Director (Finance)

(M.Sankaranarayanan)
Company Secretary

As per our Report of even date

Place : New Delhi
Date : May 28, 2013

Chandran & Raman
Chartered Accountants
P.N. Ramachandran
Membership No.13871
FRN: 000571S

S. Venkatram & Co.
Chartered Accountants
R. Vaidyanathan
Membership No.18953
FRN: 004656S

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(₹ in Lakhs)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
A. Cash Flow from Operating Activities		
Profit Before Tax	(169768.76)	(15821.55)
Adjustments for :		
Depreciation and Amortisation	37452.64	36541.92
Income from Long - term Investment	(591.70)	(704.27)
Profit on Sale of Assets	(9.71)	(13.38)
Liabilities/Prov. for Claims written back	(167.69)	(218.40)
Bad debts, Advances and Claims written off	-	17.35
Provision for Doubtful debts, Advances, Claims, CWIP, Obsolescence Stores, Capital Stores etc.	546.66	60.17
Loss on Assets sold / Discarded	839.15	43.22
Finance Cost	46876.23	24937.94
Interest income from short term investment	(3.06)	(70.06)
B. Operating Profit Before Working Capital Changes	(84826.24)	44772.94
C. Changes in Working Capital (Excluding Cash & Bank Balances)		
Trade and Other Receivables	90848.38	(129203.08)
Inventories	(2839.10)	(124733.54)
Trade and Other Payables	(138129.03)	343255.35
Change in Working Capital	(50119.75)	89318.73
D. Cash generated from Operations	(134945.99)	134091.67
E. Adjustments for		
Direct Taxes (Paid)/ Refund received (Net)	-	22629.37
F. Net Cash Flow from Operating Activities	(134945.99)	156721.05
G. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(39972.89)	(51030.94)
Sale of Assets	52.98	41.14
Investments (Net)	(61.62)	(112.57)
Interest Income	3.06	70.06
Income from long term investment	591.70	704.27
Net Cash used in Investment Activities	(39386.77)	(50328.04)



(Contd.,)
(₹ in Lakhs)

PARTICULARS	Year ended March 31, 2013	Year ended March 31, 2012
H. Net Cash Flow from Financing Activities		
Proceeds from/(Repayments of) Long Term Borrowings	26198.25	28080.42
Proceeds from/(Repayments of) Short Term Borrowings	197112.58	(83099.55)
Interest Paid	(45672.90)	(30758.46)
Dividend Paid	(2591.21)	(15068.40)
Corporate Dividend Tax Paid	(483.14)	(2898.86)
Net Cash Generated/(Used) from Financing Activities	174563.58	(103744.85)
I. Net change in Cash & Cash Equivalents (F + G + H)	230.82	2648.16
J. Cash and Cash Equivalents at the end of Financial Year	4091.15	3860.32
K. Cash and Cash Equivalents at the beginning of Financial Year	3860.32	1212.16
Net Change in Cash and Cash equivalents (J-K)	230.82	2648.16

Notes :

1. Cash and Cash Equivalents include

1. Cash Balances

- a) Cash balances including imprest
- b) Cheques in hand

2. Bank Balances with Scheduled Banks :

a) Current Account	3687.79	3484.58
b) Deposit Account	403.36	375.74
	4091.15	3860.32

Total	4091.15	3860.32
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2. The Previous year's figures have been regrouped wherever necessary for uniformity in presentation

(A.S. Basu)
Managing Director

(D.Lilly)
Director (Finance)

(M.Sankaranarayanan)
Company Secretary

As per our report of even date

CHANDRAN & RAMAN
Chartered Accountants
P.N.Ramachandran
Membership No. 13871
FRN: 000571S

S.VENKATRAM & CO.
Chartered Accountants
R.Vaidyanathan
Membership No. 18953
FRN: 004656S

Place : New Delhi
Date : May 28, 2013

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

NOTE 1

1. BASIS OF PREPARATION

- 1.1 The financial statements are prepared under historical cost convention in accordance with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956.
- 1.2 The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities as at the date of the financial statements. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from estimates.

2. FIXED ASSETS

2.1 Tangible Assets

- 2.1.1 Fixed assets are stated at cost of acquisition less accumulated depreciation / amortization.
- 2.1.2 Land acquired on perpetual lease as well as on lease for over 99 years is treated as free hold land.
- 2.1.3 Land acquired on lease for 99 years or less is treated as leasehold land.
- 2.1.4 Technical know-how / license fee relating to plants/facilities are capitalised as part of cost of the underlying asset.

2.2 Capitalisation of Construction Period Expenses

- 2.2.1 Revenue expenses exclusively attributable to projects incurred during construction period are capitalised.
- 2.2.2 Financing cost incurred during construction period on loans specifically borrowed and utilised for projects is capitalised on quarterly basis up to the date of capitalisation.
- 2.2.3 Financing cost, if any, incurred on general borrowings used for projects is capitalised at the weighted average cost.

2.3 Capital Stores

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

2.4 Intangible Assets

- 2.4.1 Technical know-how / license fee relating to production process and process design are accounted for as intangible assets and amortized on a straight line basis over a period of ten years or life of the said plant/facility, whichever is earlier.
- 2.4.2 Expenditure incurred on Research and Development, other than on capital account, is charged to revenue.
- 2.4.3 Costs incurred on computer software purchased/developed on or after 1st April 2003, resulting in future economic benefits are capitalised as Intangible Asset and amortised over a period of three years beginning from the quarter in which such software is capitalised. However, where such computer software is still in development stage, costs incurred during the development stage of such software are accounted as 'Intangible Assets Under Development'.
- 2.4.4 Cost of Right of Way for laying pipelines is capitalized. Such Right of Way being perpetual in nature is not amortised.

2.5 Depreciation / Amortisation

- 2.5.1 Depreciation on fixed assets is provided in accordance with the rates as specified in Schedule XIV to the Companies Act, 1956, on straight-line method, upto 95% of the cost of the asset other than Insurance Spares which are depreciated upto 100%. Depreciation is charged pro-rata on quarterly basis on assets, from/upto the quarter of capitalisation/sale, disposal/ dismantled during the year.
- 2.5.2 Assets costing upto ₹ 5000/- per item are depreciated fully in the year of capitalisation.
- 2.5.3 Capital expenditure on assets on which the ownership and control that does not vest with the company are charged to revenue in the year in which it is incurred.
- 2.5.4 Cost of leasehold land (including premium) for 99 years or less is amortised over the lease period.

2.6 Impairment of Assets

As at each balance sheet date, the carrying amount of Cash Generating Units/Assets is tested for impairment so as to determine:

- (a) the provision for impairment loss, if any, required; or
- (b) the reversal, if any, required of impairment loss recognized in previous periods.

Impairment loss is recognised where the carrying amount of an asset exceeds recoverable amount.



3. BORROWING COST

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

4. FOREIGN CURRENCY TRANSLATION

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

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

4.3 Non-monetary items denominated in foreign currency (such as investments, fixed assets etc) are valued at the exchange rate prevailing on the date of transaction.

4.4 (a) 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 & Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency monetary items relating to acquisition of depreciable assets.

(b) Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and fully depreciated over the balance life of the assets.

4.5 Premium/discount arising at the inception of the forward exchange contracts entered into to hedge foreign currency risks are amortised as expense/income over the life of the contract. Outstanding forward contracts as at the reporting date are restated at the exchange rate prevailing on that date.

5. INVESTMENTS

5.1 Long-term investments are carried at cost and provision for diminution in the value thereof other than temporary in nature, is accounted.

5.2 Current investments are carried at lower of cost or market value.

6. INVENTORIES

6.1 Raw Materials

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

6.1.2 Crude oil in-transit is valued at cost or net realisable value, whichever is lower.

6.2 Stock-in-process

Stock-in-process is valued at raw material cost plus fifty percent of the cost of conversion as applicable or net realisable value, whichever is lower.

6.3 Finished Products

6.3.1 Finished products are valued at cost determined on 'First-in-First-out' basis or net realisable value, whichever is lower. Cost of finished products is determined based on crude cost and processing cost.

6.3.2 Imported products in-transit is valued at CIF cost or net realisable value, whichever is lower.

6.4 Stores and Spares

6.4.1 Stores and Spares are valued at weighted average cost. In case of declared surplus/obsolete stores and spares, provision is made for likely loss on sale/disposal and charged to revenue. Necessary provisions are also made in respect of non-moving stores and spares after review.

6.4.2 Stores and Spares in transit are valued at cost.

7. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

7.1 Contingent Liabilities

- 7.1.1 Show Cause Notices issued by various Government Authorities are not considered as Obligation.
- 7.1.2 When the demand notices are raised against such show cause notices and are disputed by the Company, then these are classified as disputed obligations.
- 7.1.3 The treatment in respect of disputed obligations, in each case above ₹ 5 lakhs, is as under:
- a) A provision is recognized in respect of present obligations where the outflow of resources is probable.
 - b) All other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

7.2 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account above ₹ 5 lakhs in each case are considered for disclosure.

8. STATEMENT OF PROFIT AND LOSS

- 8.1 Revenue from sale of goods is recognised when significant risks and rewards are transferred to customers in accordance with the terms of sale.
- 8.2 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.
- 8.3 Other claims (including interest on outstandings) are accounted:
- a) When there is certainty that the claims are realizable
 - b) Generally at cost
- 8.4 Income and expenditure are disclosed as prior period items only when the value exceeds ₹ 5 lakhs in each case.
- 8.5 Prepaid Expenses upto ₹ 5 lakhs in each case are charged to revenue.

9. TAXES ON INCOME

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Deferred Tax Liability / Asset resulting from 'timing difference' between book and taxable profit is accounted for considering the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

10. EMPLOYEE BENEFITS

10.1 Short Term Benefits:

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

10.2 Post-Employment Benefits and Other Long Term Employee Benefits:

- 10.2.1 The Company's contribution to the Provident Fund is remitted to separate trust established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company and charged to Statement of Profit and Loss.
- 10.2.2 The Company operates defined benefit plans for Gratuity. 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 and are administered through a fund maintained by Insurance Company. Actuarial gains/losses are charged to Statement of Profit and Loss.
- 10.2.3 The liability of the Company in respect of superannuation scheme is restricted to the fixed contribution paid by the Company on a monthly basis towards the defined contribution scheme maintained by Insurance Company, which is charged off to revenue.
- 10.2.4 Obligations on Compensated Absences, Post Retirement Medical Benefits and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year.
- 10.3 **Termination Benefits:**
- Payments made under Voluntary Retirement Scheme are charged to Statement of Profit and Loss.

11. COMMODITY HEDGING

The realized gain or loss in respect of commodity hedging contracts, the pricing period of which has expired during the year are recognised in the Statement of Profit and Loss. However, in respect of those contracts the pricing period of which extends beyond the Balance Sheet date, suitable provision for likely loss, if any, is made.



NOTE "2" - SHARE CAPITAL

(₹ in Lakhs)

Particulars	Note	March 31, 2013	March 31, 2012
(1) Authorised			
40,00,00,000 Equity Shares of ₹ 10 each		40000.00	40000.00
(2) Issued			
17,00,00,000 Equity Shares of ₹ 10 each (i)		17000.00	17000.00
(3) Subscribed, Called-up and Paid-up			
14,89,11,400 (2012: 14,89,11,400)			
Equity Shares of ₹ 10 each		14891.14	14891.14
Add: Forfeited Shares (amount originally paid up)		9.32	9.32
Total		14900.46	14900.46

(i) 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.

(4) Reconciliation of No. of Shares (Opening and Closing)

Opening Balance	148911400	148911400
Add : Bonus Shares issued during the year	-	-
Add : Shares issued on Amalgamation	-	-
Less : Shares bought back	-	-
Closing Balance	148911400	148911400

(5) Rights, preferences and restrictions attached to 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.

(6) Shares held by Holding Company

(₹ in lakhs)

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

March 31, 2013	March 31, 2012
7726.52	7726.52

(7) Details of shareholders holding more than 5% shares

S.No.	Name of Shareholder	March 31, 2013		March 31, 2012	
		Number of Shares held	Percentage of Holding	Number of Shares held	Percentage of Holding
a)	Indian Oil Corporation Limited	7,72,65,200	51.89	7,72,65,200	51.89
b)	Naftiran Intertrade Company Limited	2,29,32,900	15.40	2,29,32,900	15.40
c)	Bajaj Allianz Life Insurance Company Limited	77,68,899	5.22	76,07,490	5.11

NOTE " 3 " - RESERVES AND SURPLUS

(₹ in Lakhs)

Particulars	March 31, 2013	March 31, 2012
(1) Securities Premium Account :		
As per last account	25003.82	25003.82
(2) General Reserve :		
As per last account	339409.41	336688.28
Add: Transeferred from Statement of Profit and Loss	-	2721.13
	339409.41	339409.41
(3) Statement of Profit and Loss :		
Balance brought forward from last year	-	-
Add: Profit / (Loss) for the Year	(176683.98)	6182.50
Less: Appropriations:		
Proposed Dividend	-	2978.23
Dividend Distribution Tax	-	483.14
Transfer to General Reserve	-	2721.13
Balance carried forward to next year	(176683.98)	-
TOTAL	187729.25	364413.23

NOTE " 4 " - LONG TERM BORROWINGS

(₹ in Lakhs)

Particulars	Note	Non Current		Current Maturities	
		March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
(1) SECURED LOANS					
Debentures :					
10000 Nos. of 8.85% Secured Redeemable Non-Convertible Debentures (Series - I) of ₹ 10 Lakhs each redeemable at par	(i)	100000.00	-	-	-
Term Loans:					
From Banks					
Foreign Currency Loan - (USD 19.24 Mn; 2012 - USD 30.24 Mn)	(ii)	4477.91	9792.17	5970.54	5595.53
Indian Rupee Loan		-	20000.00	-	-
Sub - Total		104477.91	29792.17	5970.54	5595.53
(2) UNSECURED LOANS					
Term Loans:					
a) From Banks		-	30,000.00	-	-
b) From Others					
Oil Industry Development Board	(iii)	9800.00	23662.50	13862.50	18862.50
Sub - Total		9800.00	53662.50	13862.50	18862.50
TOTAL		114277.91	83454.67	19833.04	24458.03



Nature of Security and Terms of repayment for Secured Loans

Nature of Security	Terms of Repayment
(i) Secured Redeemable Non Convertible Debentures (Series-I) - First Charge on select Plant & Machinery alongwith the underlying land together with all the building and structures standing on the said land to the extent of ₹ 100000 Lakhs.	Principal repayable at the end of 5 years or on the exercise of put/call option either in whole or in part at the end of 3 years from 18.02.2013 being date of allotment. Interest payable annually at the rate of 8.85% p.a.
(ii) Term Loan from EXIM Bank - First Pari Passu Charge on select movable fixed assets to the extent of ₹ 20000 lakhs	Principal along with interest repayable in 16 equal quarterly instalments after one year moratorium at six months Libor plus 250 bps with interest reset option after one year. Out of the 16 equal quarterly instalments (EQI), 9 EQI have already been paid on the respective due dates and remaining 7 EQI are outstanding on the Balance sheet date. Current interest rate is six months LIBOR plus 300 bps with effect from 1st April 2012.

Terms of repayment for Unsecured Loans

Borrowings	Terms of Repayment
(iii) Term Loans from Oil Industry Development Board	
1. ₹ 2500 Lakhs is due from the loan drawn on 2nd April 2003	Repayable in 8 equal annual instalments after a moratorium of 2 years. Out of the 8 equal annual instalments (EAI), 7 EAI have already been paid on the respective due dates and the remaining 1 EAI is outstanding on the Balance Sheet date. Rate of interest - 6.5% p.a payable quarterly.
2. ₹ 1562.50 Lakhs is due from the loan drawn on 21st April 2003	Repayable in 8 equal annual instalments after a moratorium of 2 years. Out of the 8 equal annual instalments (EAI), 7 EAI have already been paid on the respective due dates and the remaining 1 EAI is outstanding on the Balance Sheet date . Rate of interest - 6.5% p.a payable quarterly.
3. ₹ 19600 Lakhs is due from the loan drawn on 31st March 2010	Repayable in 4 equal annual instalments after a moratorium of 1 year. Out of 4 EAI, 2 EAI have already been paid on the respective due dates and the remaining 2 EAI are outstanding on the Balance Sheet date. Rate of interest - 7.26 % p.a payable quarterly.

NOTE "5" - DEFERRED TAX LIABILITIES / (ASSETS) (NET)

In compliance with Accounting Standard – 22 on “Accounting for Taxes on Income”, Deferred Tax Asset (-)/ Liability (+) for the financial period ended 31st March 2013 amounting to ₹ 6915.22 Lakhs (2012: ₹ 3346.75 Lakhs) has been provided for the current year. The year end position of Deferred Tax Liability is given below:

	(₹ in Lakhs)	
Particulars	March 31, 2013	March 31, 2012
<u>Deferred Tax Liability:</u>		
Depreciation	70709.19	65753.15
Total Deferred Tax Liability (A)	70709.19	65753.15
<u>Deferred Tax Assets:</u>		
i) Voluntary Retirement Scheme expenditure written off	-	264.20
ii) Provision for Employee Benefits	-	1694.98
Total Deferred Tax Assets (B)	-	1959.18
Deferred Tax Liability (Net)	TOTAL (A-B)	63793.97

NOTE "6" - OTHER LIABILITIES

Particulars	Note	Non Current		Current	
		March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
(1) Current Maturities of Long-Term Debt (Refer Note "4")				19833.04	24458.03
(2) Interest accrued but not due on loans				1686.36	483.03
(3) Investor Education & Protection Fund : - Unpaid Dividend	(i)			3617.84	3230.82
(4) Liability on Foreign Currency Forward Contracts				-	28935.05
Less: Foreign Currency Receivables	(ii)			-	27793.62
				-	1141.43
(5) Security Deposits		590.18	523.66	2124.29	1806.48
(6) Others	(iii)	3.31	3.31	50,997.05	58,701.85
Statutory Liabilities		-		30740.14	33052.19
Sundry Creditors - Projects		-		12128.02	12215.92
Employee Liabilities & Others		3.31	3.31	8128.89	13433.74
TOTAL		593.49	526.97	78258.58	89821.64

(i) There are no amounts due for payment to the Investor Education and Protection Fund as at the year end . Figures for FY 2012-13 includes ₹ 3210.61 Lakhs (2012 : ₹ 2751.95 Lakhs) of unpaid dividend to Naftiran Inter trade company Limited (NICO) for the financial year ended 2011 & 2012 which could not be remitted due to sanctions imposed by US / European countries against Iran.

(ii) Refer Sl No 10 of Note 28.

(iii) Other current liabilities includes due to Indian Oil Corporation Ltd, the holding company - ₹ 54.87 Lakhs (2012 : ₹ 96.06 Lakhs)

NOTE " 7 " - PROVISIONS

(₹ in Lakhs)

PARTICULARS	NON CURRENT			CURRENT	
	MARCH 31, 2013	MARCH 31, 2012		MARCH 31, 2013	MARCH 31, 2012
1 Provision for Employee Benefits	2795.51	2636.85		7792.70	5474.40
2 Other Provisions					
a) Provision for Taxation:	-	-		21444.11	33567.01
Less : Advance payments	-	-		15714.63	27295.44
				5729.48	6271.57
b) Proposed Dividend	-	-		-	2978.23
c) Dividend Distribution Tax	-	-		-	483.14
TOTAL	2795.51	2636.85		13522.18	15207.34



NOTE " 8 " - SHORT-TERM BORROWINGS

(₹ in Lakhs)

PARTICULARS	NOTE	MARCH 31, 2013	MARCH 31, 2012
(1) SECURED LOANS			
Loans repayable on demand			
From Banks:			
a) In Foreign Currency			
Packing credit foreign currency loan		65148.00	-
(USD : 120.0 Mn; 2012 : Nil)			
b) In Indian Rupees			
Working Capital Demand Loan		84000.00	30000.00
Cash Credit		711.71	22907.29
Sub-Total	(i)	149859.71	52907.29
(2) UNSECURED LOANS			
Loans repayable on demand			
From Banks/Financial Institutions:			
a) In Foreign Currency			
Packing credit foreign currency loan		157441.00	146498.79
(USD : 290.0 Mn; 2012 : USD 287.93 Mn)			
Buyers' Credit		-	440.35
(USD : Nil ; 2012 : USD 0.87 Mn)			
b) In Rupees			
Book Overdraft		633.31	4455.01
Working Capital Demand Loan		73500.00	20020.00
Commercial Paper		75000.00	35000.00
Total Unsecured Loans		306574.31	206414.15
TOTAL SHORT-TERM BORROWINGS		456434.02	259321.44

- (i) Against hypothecation of inventories, book-debts, outstanding monies, receivables present and future to the extent of ₹ 317500 lakhs with State Bank of India (2012: ₹ 197500 lakhs)

NOTE " 9 " - TRADE PAYABLES

(₹ in Lakhs)

PARTICULARS	NOTE	MARCH 31, 2013	MARCH 31, 2012
Trade Payables:			
a) Total Outstanding dues to Micro, Small and Medium Enterprises	(i)	-	-
b) Total Outstanding dues to Related Parties	(ii)	436433.97	578354.93
c) Total dues to creditors other than Micro, Small and Medium Enterprises		34456.64	24305.36
TOTAL		470890.61	602660.29

(i) Disclosure required under the provisions of Section 22 of Micro, Small and Medium Enterprises Development Act, 2006.

The company sought written confirmation from its suppliers to identify Micro, Small and Medium enterprises. No principal amount or interest amount remains unpaid to such Micro and Small enterprises as on 31.03.2013 and no payments were made to such enterprises beyond the "appointed day" during the year. Also, the company has not paid any interest in terms of Section 16 of the above mentioned act or otherwise.

The above has been determined to the extent, such parties could be identified on the basis of information made available to the company.

(ii) Represents due to Indian Oil Corporation Ltd, the holding company.

NOTE "10" - TANGIBLE ASSETS

(₹ in Lakhs)

	GROSS BLOCK						DEPRECIATION/ AMORTISATION				NET BLOCK	
	Note	Gross block as at 01-Apr-12	Additions	Disposals	Transfers/ Deductions/ Adjustments/ Reclassifications	Gross Block as at 31-Mar-13 (Ref. Note No. E)	Depreciation and Amortisation as at 01-Apr-12	Depreciation and Amortisation for the year	Depreciation on disposals/ transfers/ deductions etc	Total Depreciation and Amortisation upto 31-Mar-13	As at 31-Mar-13	As at 31-Mar-12
Land												
- Freehold	A	3649.27	-	0.07	127.64	3776.84	-	-	-	-	3776.84	3649.27
- Leasehold	B	780.85	-	-	-	780.85	96.10	7.21	-	103.31	677.54	684.75
Buildings, Roads etc.		17131.37	3143.37	-	(53.68)	20221.06	5611.70	465.91	41.92	6035.69	14185.37	11519.67
Plant and Machinery	C	656814.81	117412.74	5363.17	1472.01	770336.39	307081.87	36056.85	4917.67	338221.05	432115.34	349732.94
Office Equipment		3879.46	329.35	186.68	-	4022.13	2162.75	274.81	139.68	2297.88	1724.25	1716.71
Transport Equipments		2663.79	29.64	36.92	(393.91)	2262.60	2005.42	63.42	171.17	1897.67	364.93	658.37
Furniture and Fixtures		1700.73	252.07	178.99	-	1773.81	918.05	92.69	94.60	916.14	857.67	782.68
Railway Sidings	D	270.72	-	264.60	-	6.12	257.18	-	251.36	5.82	0.30	13.54
Drainage, Sewage and Water Supply System		1701.46	686.83	-	-	2388.29	327.42	31.87	-	359.29	2029.00	1374.04
Total		688592.46	121854.00	6030.43	1152.06	805568.09	318460.49	36992.76	5616.40	349836.85	455731.23	370131.97
Previous Year		624627.28	62019.03	173.83	2119.98	688592.46	282792.36	35770.98	102.85	318460.49	370131.97	341834.92

Note :

A : Gross block of Land includes ₹ 18.36 Lakhs deposited towards 50.93 acres of Land for which assignment deed is yet to be received from Govt. of TamilNadu. Land disposed during the year represents 2.72 acres given to local body for forming of road, which includes 2.5 acres of land for which value is yet to be fixed.

B : Refer S.No. 2.1.3 and 2.5.4 of Note - 1, Significant Accounting Policies.

C : Adjustments under Plant & Machinery includes ₹ 1078.10 Lakhs of exchange differences on long term foreign currency loans relating to acquisition of fixed assets adjusted to the carrying cost of the asset as per para 46A of AS 11 in line with Notification dtd 29.12.2011 of Ministry of Corporate Affairs. Ref. SI No. 4.4 of Significant Accounting Policies. (2012 : ₹ 2140.20 Lakhs)

D : 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.

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



NOTE "11" : INTANGIBLE ASSETS

(₹ in Lakhs)

	AT COST						AMORTISATION				NET BLOCK	
	Note	Gross block as at 01-Apr-12	Additions	Disposals	Transfers/ Deductions/ Adjustments/ Reclassifications	Gross Block as at 31-Mar-13	Amortisation as at 01-Apr-12	Amortisation for the year	Amortisation on disposals/ transfers/ deductions etc	Total Amortisation upto 31-Mar-13	As at 31-Mar-13	As at 31-Mar-12
Right of Way	A	30.68	-	-	-	30.68	-	-	-	-	30.68	30.68
Technical Know-How, Royalty and License Fees		3473.17	-	-	-	3473.17	2103.94	347.22	-	2451.16	1022.01	1369.23
Software		1249.68	-	-	-	1249.68	1137.03	112.65	-	1249.68	-	112.65
Total		4753.53	-	-	-	4753.53	3240.97	459.87	-	3700.84	1052.69	1512.56
Previous Year		4215.42	538.11	-	-	4753.53	2470.03	770.94	-	3240.97	1512.56	1745.39

Note :

A : No amortisation provided, the right being perpetual in nature.



NOTE "12" CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

PARTICULARS	MARCH 31, 2013	MARCH 31, 2012
(1) Construction Work in Progress - Tangible Assets (Including unallocated capital expenditure)	12739.47	93697.88
(2) Capital stores	4101.92	6886.85
(3) Capital Goods in Transit	28.49	174.66
(4) Construction Period Expenses pending allocation: Net expenditure during the year (Note - "12.1")	10335.20	4370.52
Less: Allocated to assets during the year	(10335.20)	(4370.52)
	-	-
TOTAL	16869.88	100759.39

NOTE "12.1" CONSTRUCTION PERIOD EXPENSES (NET) DURING THE YEAR

(₹ in Lakhs)

PARTICULARS	MARCH 31, 2013	MARCH 31, 2012
(1) Payments to and Provision for Employees	997.47	1076.85
(2) Own Fuel	5151.53	826.66
(3) Travelling & Conveyance	10.90	26.33
(4) Interest	4171.37	2435.91
(5) Other Expenses	3.93	4.77
Net Expenditure during the year	10335.20	4370.52

NOTE "13" INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Lakhs)

PARTICULARS	MARCH 31, 2013	MARCH 31, 2012
Capital Work in Progress - Intangible Assets	472.02	472.02
TOTAL	472.02	472.02

NOTE "14" NON CURRENT INVESTMENTS

(₹ in Lakhs)

PARTICULARS	NO. AND PARTICULARS OF SHARES/ UNITS	FACE VALUE PER SHARE ₹	MARCH 31, 2013	MARCH 31, 2012
(1) Trade Investments				
(Unquoted, at cost):				
Investment in Equity Instruments				
In Joint Venture Companies :				
a) Indian Additives Ltd.	1183401 Equity Shares fully paid	100	1183.40	1183.40
b) National Aromatics and Petrochemical Corporation Limited	25000 Equity Shares fully paid	10	2.50	2.50
Less: Provision for Diminution			2.50	2.50
			-	-
Investment in Others :				
Petroleum India International (AOP of Oil Companies)	Capital Fund Share in accumulated surplus		500.00	500.00
			730.34	668.72
			1230.34	1168.72
(2) Other Investments				
(Unquoted, at cost) :				
Investment in Equity Instruments				
BioTech Consortium India Ltd	100000 Equity Shares fully paid	10	10.00	10.00
Investment in Others :				
MRL Industrial Cooperative Service Society Ltd	9000 Shares fully paid	10	0.90	0.90
TOTAL			2424.64	2363.02
Aggregate value of Unquoted Non Current Investments			2427.14	2365.52
Aggregate value of provisions on Unquoted Non Current Investments			2.50	2.50



NOTE " 15 " - LOANS AND ADVANCES

(₹ in Lakhs)

PARTICULARS	NOTE	LONG TERM		SHORT TERM	
		MARCH 31, 2013	MARCH 31, 2012	MARCH 31, 2013	MARCH 31, 2012
(1) Capital Advances					
Unsecured, Considered Good		258.16	712.82	-	-
(2) Advance recoverable in cash or in kind for value to be received:					
a) From Related Parties					
i) Secured, Considered Good					
ii) Unsecured, Considered Good	(i)	4.12	4.39	0.62	0.62
b) From Others					
i) Secured, Considered Good		4669.73	4692.70	502.95	575.12
ii) Unsecured, Considered Good	(ii)	1694.08	1708.97	9642.17	9426.12
		6367.93	6406.06	10145.74	10001.86
(3) Claims Recoverable :					
a) From Related Parties					
i) Unsecured, Considered Good	(iv)			17.85	78.89
ii) Unsecured, Considered Doubtful	(v)			1440.36	1440.36
				1458.21	1519.25
				1440.36	1440.36
				17.85	78.89
Less : Provision for Doubtful Claims					
b) From Others					
i) Unsecured, Considered Good		-	-	8869.24	9326.02
ii) Unsecured, Considered Doubtful		12.36	12.36	364.95	105.09
		12.36	12.36	9234.20	9431.11
Less : Provision for Doubtful Claims		12.36	12.36	364.95	105.09
		-	-	8869.24	9326.02
(4) Balance with Customs, Port Trust and Excise Authorities:					
Unsecured, Considered Good				1969.47	2009.90
(5) Deposits for Leave Encashment Fund				6013.60	5656.88
(6) Advances against materials taken on loan from Related Party-Unsecured, Considered Good				9.21	9.21
Less: Material taken on Loan	(iv)			8.15	8.15
				1.06	1.06
(7) Sundry Deposits					
a) To Others					
Unsecured, Considered Good		1938.07	2161.61	179.68	1809.10
TOTAL		8564.16	9280.49	27196.64	28883.71

NOTE " 15 " - LOANS AND ADVANCES

PARTICULARS		LONG TERM		SHORT TERM	
		MARCH 31, 2013	MARCH 31, 2012	MARCH 31, 2013	MARCH 31, 2012
(₹ in Lakhs)					
(i) Includes:					
Due from Directors					
Maximum amount due during the year (2012-13 : 5.01 , 2011-12 : 17.61)		4.12	4.39	0.62	0.62
(ii) Due from Officers		2.32	2.87	0.49	0.49
Maximum amount due during the year (2012-13 : 3.36 , 2011-12 : 3.75)					
(iii) Disclosure requirements of SEBI under Clause 32 of the Listing agreement					
1 Loans and advances in the nature of loans to parent company,					
Indian Oil Corporation Limited		Nil	Nil	Nil	Nil
Maximum amount outstanding during the year		Nil	Nil	Nil	Nil
2 Loans and advances in the nature of loans to associates		Nil	Nil	Nil	Nil
Maximum amount outstanding during the year		Nil	Nil	Nil	Nil
3 Loans and advances in the nature of loans where there is					
(i) no repayment schedule or repayment beyond seven years or		Nil	Nil	Nil	Nil
(ii) no interest or interest below section 372 A of Companies Act		Nil	Nil	Nil	Nil
4 Loans and advances in the nature of loans to firms/companies in which directors are interested		Nil	Nil	Nil	Nil
(iv) Represents dues from Indian Oil Corporation Ltd, the holding company					
(v) Represents dues from National Aromatics and Petrochemicals Corporation Limited.					



NOTE "16" OTHER CURRENT ASSETS

(₹ in Lakhs)

PARTICULARS	MARCH 31,2013	MARCH 31,2012
(1) Interest Accrued on Investments/ Bank Deposits	35.41	27.22
(2) Gold Coins in Hand (at Cost)	48.20	17.65
(3) Premium on Forward Contract		
As per Last account	381.90	1132.26
Add:-Expenditure during the year	-	3220.35
	381.90	4352.61
Less:Amortised during the year	381.90	3970.71
	-	381.90
TOTAL	83.61	426.77

NOTE "17" INVENTORIES

(₹ in Lakhs)

PARTICULARS	NOTE	MARCH 31,2013	MARCH 31,2012
(1) Raw Materials			
In Hand		208281.88	183547.50
In Transit		120865.65	165200.90
		329147.53	348748.40
(2) Stores, Spares etc.			
In Hand		22788.24	21007.65
Less : Provision for Losses		1979.06	1820.35
		20809.18	19187.30
In Transit		769.02	608.86
		21578.20	19796.16
(3) Finished Products			
In Hand		224193.02	226089.28
(4) Stock in Process			
In Hand		63733.28	41337.80
TOTAL	(i)	638652.03	635971.64

(i) Refer Sl. No 6 of Significant Accounting Policies for mode of valuation

NOTE "18" TRADE RECEIVABLES

(₹ in Lakhs)

PARTICULARS	NOTE	MARCH 31,2013	MARCH 31,2012
(1) Over Six Months:			
From Others			
Unsecured, Considered Good		925.94	7.88
(2) Other Debts :			
From Related Parties			
Unsecured, Considered Good	(i)	211231.01	224797.33
From Others			
a) Secured Considered Good	(ii)	9567.94	2.88
b) Unsecured, Considered Good		33248.26	118266.88
		254047.21	343067.09
TOTAL		254973.15	343074.97

(i) Represents due from Indian Oil Corporation Ltd, the holding company.

(ii) Represents dues for which mortgage and first charge on an asset is in favour of the company to the extent of ₹ 10000 Lakhs. (2012: ₹ 10000 Lakhs)

NOTE "19" - CASH AND BANK BALANCES

(₹ in Lakhs)

PARTICULARS	NOTE	MARCH 31,2013	MARCH 31,2012
(1) Cash and Cash Equivalents			
a) Bank Balances with Scheduled Banks : Current Account		69.95	253.77
(2) Other Bank Balances			
Balances with bank held as other commitments		403.36	375.74
Earmarked Balances (Unpaid Dividend)	6 (3) (i)	3617.84	3230.82
		4021.20	3606.55
TOTAL		4091.15	3860.32

NOTE "20" - REVENUE FROM OPERATIONS

(₹ in Lakhs)

PARTICULARS	NOTE	MARCH 31,2013	MARCH 31,2012
(1) Sale of Products	(i)	4691274.71	4544132.72
Less: Trade Discounts		7028.33	5642.14
Sales (Net of Discounts)		4684246.38	4538490.58
(2) Other Operating Revenues (Note "20.1")		1677.44	1161.63
TOTAL		4685923.82	4539652.21

(i) In line with the scheme formulated by the Petroleum Planning and Analysis Cell (PPAC) under the Ministry of Petroleum and Natural Gas, the company has received an aggregate discount of ₹ 250510.05 Lakhs (2012: ₹ 337980.04 Lakhs) from Oil and Natural Gas Corporation Limited on Crude Oil purchase and has passed on the same as discounts on products sold to Indian Oil Corporation Limited, the holding company. Accordingly, Gross Sale of Products and Consumption of Raw Materials for the year are net of ₹ 250510.05 Lakhs. (2012: ₹ 337980.04 Lakhs).

Refer Note 30 - Finished Product - Quantity and Value Particulars, for product wise sales.

NOTE "20.1" - OTHER OPERATING REVENUES

(₹ in Lakhs)

PARTICULARS	MARCH 31,2013	MARCH 31,2012
(1) Sale of Power	512.80	409.44
(2) Unclaimed liabilities written back	167.69	218.40
(3) Recoveries from Employees	39.15	31.12
(4) Sale of Scrap	957.80	502.67
TOTAL	1677.44	1161.63



NOTE "21" - OTHER INCOME

(₹ in Lakhs)

PARTICULARS	NOTE	MARCH 31,2013	MARCH 31,2012
(1) Interest on :			
a) Loans and Advances		259.57	196.47
b) Short Term Deposits with Banks		3.06	70.06
c) Customer Outstandings		-	203.29
d) Others	(i)	908.94	3964.93
		1171.58	4434.75
(2) Dividend from Joint Venture	(ii)	591.70	591.70
(3) Profit on sale and disposal of Assets		9.71	13.38
(4) Other Non Operating Income	(iii)	602.99	1424.20
TOTAL		2375.98	6464.03

(i) Includes interest on Income Tax refunds ₹ 209.18 Lakhs (2012: ₹ 2904.96 Lakhs)

(ii) Represents income from Non current Trade Investment - Indian Additives Limited - JV Company.

(iii) Includes income from Petroleum India International (Non current Trade Investments) ₹ 61.62 Lakhs (2012: ₹ 112.57 Lakhs)

NOTE "22" - COST OF MATERIALS CONSUMED

(₹ in Lakhs)

PARTICULARS	NOTE	MARCH 31,2013	MARCH 31,2012
Raw Materials Consumed :			
Opening Balance		348748.40	278359.00
Add : Purchases	(i)	4114331.04	4004408.79
		4463079.44	4282767.79
Less: Closing Stock		329147.53	348748.40
TOTAL	(ii)	4133931.91	3934019.39

(i) Refer Note 20 (i) - Revenue from Operations.

(ii) Refer Note 31 - Consumption particulars of Raw Material.

NOTE "23" - CHANGES IN INVENTORY

(₹ in Lakhs)

PARTICULARS	NOTE	MARCH 31,2013	MARCH 31,2012
Closing Stock			
a) Finished Products	(i)	224193.02	226089.28
b) Stock in Process		63733.28	41337.80
		287926.30	267427.08
Less:			
Opening Stock	(i)		
a) Finished Products		226089.28	163581.02
b) Stock in Process		41337.80	50107.34
		267427.08	213688.36
NET INCREASE/(DECREASE)		20499.22	53738.72

(i) Refer Note 30 - Finished Product - Quantity and Value Particulars, for details.

NOTE " 24 " - EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

PARTICULARS	NOTE	MARCH 31,2013	MARCH 31,2012
(1) Employee Benefit Expenses:	(i)		
a) Salaries, Wages, Bonus etc		23000.14	17603.86
b) Contribution to Provident & Other Funds		3811.97	3559.20
c) Voluntary Retirement Compensation		-	1017.87
d) Staff Welfare Expenses		4731.26	3140.43
TOTAL	(ii)	31543.37	25321.36

(i) Disclosure in compliance with Accounting Standard-15 (Revised) on "Employee Benefits" is given in Note 28. (Annexure I)

(ii) Remuneration paid/payable to Directors

(₹ in Lakhs)

PARTICULARS	MARCH 31,2013	MARCH 31,2012
a) Salaries and Allowances	74.95	112.06
b) Contribution to Provident Fund	6.81	5.39
c) Contribution to Gratuity/Superannuation Fund, etc	8.22	7.64
d) Other benefits and perquisites	0.99	0.34
TOTAL	90.97	125.43

NOTE "25" - FINANCE COST

(₹ in Lakhs)

PARTICULARS	MARCH 31,2013	MARCH 31,2012
(1) Interest Expense on:		
a) Fixed period loans from Banks/ Financial Institutions/ Others	3438.83	4481.48
b) Debentures	1188.08	-
c) Short Term loans from Banks	37500.33	19265.39
d) Others	18.87	-
e) Others - Interest on Income tax expense - Provision reversed	-	(5884.02)
	42146.11	17862.85
(2) Other Borrowing Cost	39.15	224.83
(3) Applicable net (gain)/loss on foreign currency transactions and translation	4690.97	6850.26
TOTAL (Net)	46876.23	24937.94



NOTE " 26 " - OTHER EXPENSES

(₹ in Lakhs)

PARTICULARS	MARCH 31,2013	MARCH 31,2012
(1) Consumption:		
a) Stores, Spares and Consumables	8158.84	5586.50
b) Packages & Drum Sheets	84.70	106.80
	8243.54	5693.30
(2) Power, Water & Fuel	415442.41	399530.57
Less : Fuel from own production	410109.26	395592.07
	5333.15	3938.50
(3) Octroi, Other Levies and Irrecoverable taxes	13017.11	18045.31
(4) Repairs and Maintenance		
i) Plant & Machinery	17446.30	11345.31
ii) Buildings	238.48	195.84
iii) Others	3533.11	2131.90
	21217.89	13673.05
(5) Freight, Transportation Charges and Demurrage	5785.98	5895.49
(6) Office Administration, Selling and Other Expenses (Note "26.1")	48363.13	49606.38
TOTAL	101960.80	96852.02
Less: Company's use of own Products	5155.92	826.66
	96804.88	96025.36
(7) Excise Duty	399572.62	463023.58
Less: Excise Duty on Transfer of Products	397595.71	458866.23
Excise Duty (Net)	1976.91	4157.35
TOTAL (Net)	98781.79	100182.71

NOTE "26.1" - OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES

(₹ in Lakhs)

PARTICULARS	NOTE	MARCH 31,2013	MARCH 31,2012
(1) Rent		2065.99	1119.73
(2) Insurance		1944.71	1311.34
(3) Rates & Taxes		419.29	166.43
(4) Donations	(i)	499.47	899.25
(5) Payment to auditors			
a) Audit Fees		10.00	7.50
b) Tax Audit Fees		1.50	1.50
c) Other Services		6.27	6.10
		17.77	15.10
(6) Travelling & Conveyance		1783.43	1568.91
(7) Communication Expenses		223.51	145.91
(8) Printing & Stationery		94.37	105.22
(9) Electricity & Water		33.81	30.71
(10) Bank Charges		45.13	44.69
(11) Bad Debts, Advances & Claims written off		-	17.35
(12) Loss on Assets Sold /Discarded		839.15	43.22
(13) Technical Assistance Fees		442.90	781.68
(14) Exchange Fluctuation (net)		34100.58	38526.88
(15) Provision for Doubtful Debts, Advances, Claims, CWIP, Obsolescence Stores, Capital Stores etc.		546.66	60.17
(16) Security Force Expenses		1641.74	1220.68
(17) Terminalling & Handling Charges		1851.48	1670.08
(18) Expenses on CSR Activities		391.36	322.56
(19) Miscellaneous Expenses	(ii)	1421.78	1556.45
TOTAL		48363.13	49606.38

(i) Refer Sl No.13 in Note 28 (Annexure -II)

(ii) Miscellaneous Expenses include:

- a) Expenditure on Public Relations and Publicity amounting to ₹ 192.68 lakhs (2012: ₹ 149.06 lakhs). The ratio of annual expenditure on Public Relations and Publicity to the annual turnover is 0.00004113:1 (2012: 0.00003284:1).
- b) Entertainment Expenses ₹ 24.96 lakhs (2012: ₹ 43.82 lakhs).

NOTE " 27 " - INCOME / EXPENSES RELATING TO PREVIOUS YEARS

(₹ in Lakhs)

PARTICULARS	MARCH 31,2013	MARCH 31,2012
Income:		
(1) Miscellaneous Income	(52.20)	-
Total Income	(52.20)	-
Expenditure:		
(1) Technical fees	62.00	-
(2) Payment to and provision for Employees	-	920.54
(3) Other Expenses	(54.31)	-
Total Expenses	7.69	920.54
NET INCOME /(EXPENDITURE)	(59.89)	(920.54)



NOTE 28

1. Contingent Liabilities:

- a) Claims against the company not acknowledged as debts ₹ 29158.38 lakhs (2012: ₹ 17559.23 lakhs).
These mainly include:
 - i) ₹ 572.31 lakhs (2012: ₹ 554.33 lakhs) in respect of Central Excise.
 - ii) ₹ 21454.65 lakhs (2012: ₹ 8857.48 lakhs) in respect of Sales Tax.
 - iii) ₹ 4695.27 lakhs (2012: ₹ 6188.38 lakhs) in respect of Income Tax.
 - iv) ₹ 1273.78 lakhs (2012: ₹ 1235.71 lakhs) relating to projects.
 - b) Interest/Penalty, if any, unascertainable, on the above claims is not considered.
 - c) Estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹ 38854.22 lakhs (2012: ₹ 62554.03 lakhs).
2. Thirty four acres and forty nine cents of land has been taken on lease from a trust on a five-year renewable lease for the construction of Employees Township at Cauvery Basin Refinery.
 3. Forty-one acres, twenty three and half acres and eleven acres and sixty two cents of land of the company are in the possession of IOT Infrastructure & Energy Services Limited, CPCL Educational Trust and Indian Oil Corporation Limited respectively under lease agreement.
 4. (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 is in possession of 135.93 acres of land (classified as Poramboke) for which value is to be determined and Assignment deed is yet to be received from Govt. of Tamilnadu.
(c) Pending decision of the Government/Court, additional compensation, if any, payable to the landowners and the Government for certain lands acquired, is not considered.
 5. The company, in the absence of notification by the Central Government specifying the applicable rate of cess under section 441A of the Companies Act, 1956 on turnover payable by the company, has not provided for cess towards formation of Rehabilitation and Revival Fund.
 6. Valuation of Finished Products:
The overall gross margin percentage for all joint products is subtracted from the final net realisable value of each product to arrive at the total cost of each product which is taken as the basis for valuation of closing stock of finished products. (Refer Policy No 6.3 in Note – 1 – “Statement of Significant Accounting Policies”).
 7. The Company has an export obligation to the extent of ₹ 1153.65 Lakhs (2012: ₹ 3904.22 Lakhs) on account of concessional rate of customs duty availed under EPCG scheme on import of capital goods/Advance License scheme on import of crude oil.
 8. The company operates in a single segment viz. downstream petroleum sector. As such reporting is done on a single segment basis.
 9. No provision for Income Tax (Current Tax) has been made in view of loss for the current year.
 10. The company has not entered into any derivative transaction, other than for hedging purposes during the year. Outstanding Forward contracts as on 31st March 2013 entered for hedging of Packing Credit Foreign Currency Loan is Nil (2012: ₹ 27793.62 Lakhs (USD 54.63 Million)).
 11. Foreign currency exposures that are not hedged (which mainly includes Packing credit foreign currency loans) as on 31.03.2013 is ₹ 233037.45 Lakhs (2012: ₹ 134551.71 Lakhs).
 12. Disclosure as required under Accounting Standard – 15 (Revised) on “Employee Benefits” is provided in Annexure – I to this Note.
 13. In compliance with Accounting Standard – 18 on “Related Party Disclosures”, the required information is given in Annexure – II to this Note.

14. Disclosure as required under Accounting Standard – 19 on “Leases” is as under:

Operating Leases:

Lease rentals charged in the Statement of Profit and Loss is as follows :

(₹ in Lakhs)

PARTICULARS	2012 - 2013	2011 - 2012
Lease rentals recognised during the year	715.33	774.36
Lease obligation - not later than one year	724.10	810.42
Lease obligation - later than one year and not later than five years	3620.50	4052.10

These lease rentals relate to operating leases in respect of Product Tankages taken on lease from IOC on a renewal basis.

15. In compliance with Accounting Standard – 20 on “Earnings Per Share”, the elements considered for calculation of Earnings Per Share (Basic and Diluted) are as under:

PARTICULARS	MARCH 31,2013	MARCH 31,2012
Profit / (Loss) After Tax (₹ in Lakhs)	(176683.98)	6182.50
Weighted Average number of equity shares	148911400	148911400
Earnings Per Share (Basic and Diluted) (₹)	(118.65)	4.15
Face value per share (₹)	10	10

16. Disclosure as required under Accounting Standard – 27 on “Financial Reporting of Interests in Joint Ventures” is as under:

a) **Name of the Joint Venture** **Indian Additives Ltd.**

Proportion of ownership interest **50%**

Country of Incorporation **India**

Aggregate amount of interest in Joint Venture

(₹ in Lakhs)

Company's share of	2012 - 2013 #	2011 - 2012##
Assets	11926.35	10562.92
Liabilities	2792.80	3323.30
Income	24463.10	20747.51
Expenditure	21367.88	18242.97
Contingent Liabilities	855.78	1308.93

Unaudited figures ## Audited figures

b) **Name of the Joint Venture** **National Aromatics and Petrochemicals Corporation Ltd**

Proportion of ownership interest **50%**

Country of Incorporation **India**

Aggregate amount of interest in Joint Venture is not given since the joint venture is not operational.

17. During the year, the company has undertaken a review of all fixed assets in line with the requirements of AS- 28 on “Impairment of Assets”. Based on such review, no provision for impairment is required to be recognised for the year.

18. In Compliance of Accounting Standard – 29 on “Provisions, Contingent Liabilities & Contingent Assets”, the required information on each class of contingent liability is as under :

(₹ in Lakhs)

PARTICULARS	OPENING BALANCE	ADDITIONS DURING THE YEAR	REVERSAL DURING THE YEAR	CLOSING BALANCE
Sales Tax	8857.48	13286.56	689.39	21454.65
Central Excise	554.33	17.98	-	572.31
Income Tax	6188.38	375.27	1868.38	4695.27
Others	1959.04	567.16	90.05	2436.15
Total	17559.23	14246.97	2647.82	29158.38



19. The Research and Development Expenses incurred by the Company are as under:

(₹ in Lakhs)

PARTICULARS	2012 - 13	2011 - 12
Capital Expenditure	9.46	27.31
Revenue Expenditure	410.63	408.30
Total	420.09	435.61

20. Previous year's comparative figures have been regrouped and recast, wherever necessary, to the extent practicable, for uniformity in presentation.

Annexure - I

Disclosure requirements under AS - 15 (Revised) as per Note No: 12

Defined Contribution Schemes:

The net amount expended in respect of employer's contribution to the provident fund and superannuation fund during the year, are ₹ 1860.21 Lakhs (2012: ₹ 1294.28 Lakhs) and ₹ 1416.81 Lakhs (2012: ₹ 605.34 Lakhs) respectively.

Defined Benefit Schemes:

(₹ in Lakhs)

NET EMPLOYEE BENEFIT EXPENSE	UNFUNDED SCHEMES						FUNDED SCHEMES	
	POST RETIREMENT MEDICAL BENEFITS		SERVICE AWARD		COMPENSATED ABSENCES		GRATUITY	
	2013	2012	2013	2012	2013	2012	2013	2012
Past Service cost	-	920.54	-	-	-	-	-	-
Current Service Cost	26.90	25.31	44.72	46.26	226.88	125.29	125.31	111.75
Interest cost on benefit obligation	188.78	185.00	41.63	22.07	404.36	392.60	468.52	389.78
Expected (return) / loss on plan assets	-	-	-	-	-	-	(487.34)	(470.56)
Net actuarial (gain)/ loss recognized in the year	74.09	(46.24)	(57.71)	219.86	2251.31	(3.63)	362.43	756.32
Net (Benefit) / Expense	289.77	1084.61	28.64	288.19	2882.56	514.26	468.92	787.29

(₹ in Lakhs)

CHANGES IN PRESENT VALUE OF DEFINED BENEFIT OBLIGATION	UNFUNDED SCHEMES						FUNDED SCHEMES	
	POST RETIREMENT MEDICAL BENEFITS		SERVICE AWARD		COMPENSATED ABSENCES		GRATUITY	
	2013	2012	2013	2012	2013	2012	2013	2012
Opening defined benefit obligation	2357.65	1343.47	524.58	295.42	5164.71	5164.57	5797.34	4912.69
Interest Cost	188.78	185.00	41.63	22.07	404.36	392.60	468.52	389.77
Past Service cost	-	920.54	-	-	-	-	-	-
Current service cost	26.90	25.31	44.72	46.26	226.88	125.29	125.31	111.75
Benefits paid	(88.33)	(70.43)	(46.13)	(59.03)	(585.69)	(514.12)	(305.10)	(433.17)
Net actuarial (gain)/ loss on obligation	74.09	(46.24)	(57.71)	219.86	2251.31	(3.63)	414.76	816.30
Closing defined benefit obligation	2559.09	2357.65	507.09	524.58	7461.58	5164.71	6500.84	5797.34

1% increase in cost of post retirement medical benefits will increase the liability by ₹ 199.14 Lakhs (2012: ₹ 181.26 Lakhs).

1% decrease in cost will decrease the liability by ₹ 170.69 Lakhs (2012: ₹ 154.79 Lakhs)

FUNDED SCHEME:

(₹ In lakhs)

CHANGE IN FAIR VALUE OF PLAN ASSETS	GRATUITY	
	2013	2012
Opening Fair value of plan assets	5856.78	5745.86
Expected return	487.34	470.56
Contributions	-	13.55
Contributions towards Direct Benefit Payments	58.29	-
Benefits paid	(246.80)	(433.17)
Direct Benefit Payments	(58.29)	-
Actuarial gain /(loss)	52.33	59.99
Closing Fair value of plan assets	6149.65	5856.79
Investment details	Insurer Managed funds –100%	

FUNDED SCHEME:

(₹ In lakhs)

BALANCE SHEET	GRATUITY	
	2013	2012
Defined benefit obligation	6500.84	5797.34
Fair value of plan assets	6149.65	5856.78
Plan asset / (liability)	(351.19)	59.44



FUNDED SCHEME:

ACTUARIAL ASSUMPTIONS	GRATUITY	
	2013	2012
Discount Rate (per annum)	8.16%	8.30%
Rate of escalation in salary (per annum)	8%	8%
Mortality table	Indian Assured Lives 2006-08 (2012-13) Indian Assured Lives 94 - 96 rates (2011-12)	
Attrition rate	2%	2%
Expected rate of return on plan assets (per annum)	8.5%	8.5%

UNFUNDED SCHEMES:

ACTUARIAL ASSUMPTIONS	POST RETIREMENT MEDICAL BENEFITS		SERVICE AWARD		COMPENSATED ABSENCES	
	2013	2012	2013	2012	2013	2012
Mortality table (before Retirement)	Indian Assured Lives 2006-08 (2012-13) Indian Assured Lives 94 - 96 rates (2011-12)					
Mortality table (after Retirement)	LIC 96 - 98 rates					
Discount Rate (per annum)	8.16%	8.30%	8.16%	8.30%	8.16%	8.30%
Inflation Rate /Salary Escalation (per annum)	7%	7%	-	-	8%	8%
Rate of morbidity	10%		Not Applicable		Not Applicable	

ANNEXURE - II

DISCLOSURE REQUIREMENTS UNDER AS - 18 AS PER NOTE NO: 13

(₹ in Lakhs)

DETAILS OF TRANSACTIONS	KEY MANAGEMENT PERSONNEL		JOINT VENTURES		ENTITY OVER WHICH KMP EXERCISE SIGNIFICANT INFLUENCE		TOTAL	
	31-MAR-13	31-MAR-12	31-MAR-13	31-MAR-12	31-MAR-13	31-MAR-12	31-MAR-13	31-MAR-12
Remuneration	89.98	125.09	-	-	-	-	89.98	125.09
Other Benefits/ Recoveries	0.99	0.34	-	-	-	-	0.99	0.34
Dividend Received	-	-	591.70	591.70	-	-	591.70	591.70
Outstanding Loans/ advances receivables	4.74	5.01	-	-	-	-	4.74	5.01
Claims Recoverable	-	-	1440.36	1440.36	-	-	1440.36	1440.36
Provisions for Doubtful Claims	-	-	1440.36	1440.36	-	-	1440.36	1440.36
Assets on Hire	4.65	4.51	-	-	-	-	4.65	4.51
Donations	-	-	-	-	499.12	896.27	499.12	896.27

The remuneration to KMP stated above does not include the impact of provision made on actuarial valuation of retirement benefit schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual directors.

Key Management Personnel (KMP)

Whole-time Directors

- 1) Mr A.S Basu (from 6th July 2012)
- 2) Ms D. Lilly
- 3) Mr S. Venkataramana
- 4) Mr T. S. Ramachandran

Joint Venture Companies

- 1) Indian Additives Limited
- 2) National Aromatics and Petrochemicals Corporation Limited.

Entity over which KMP exercise significant influence

- 1) CPCL Educational Trust

NOTE "29" - LICENSED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION

(Figures in Lakhs)

		UNIT	Licensed Capacity		Installed Capacity		Actual Production		
			31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	Note	31 March 2012
1.	Crude Processing	MTs	115.00	115.00	115.00	115.00	97.42		105.57
2.	Propylene Recovery Unit	MTs	0.30	0.30	0.30	0.30	0.28	A	0.33
3.	Wax Plant	MTs	0.30	0.30	0.30	0.30	0.21	A	0.24

A. Represents finished petroleum products

NOTE "30" - FINISHED PRODUCTS - QUANTITY AND VALUE PARTICULARS

	Opening Stock		Purchases		Sales		Closing Stock	
	Quantity MT (in lakhs)	Value (₹in lakhs)	Quantity MT (in lakhs)	Value (₹in lakhs)	Quantity MT (in lakhs)	Value (₹in lakhs)	Quantity MT (in lakhs)	Value (₹in lakhs)
1. PETROLEUM / PETRO-CHEMICAL PRODUCTS								
Year ended 31.03.13	4.00	224518.36	1.17	68847.35	88.84	4610640.42	4.06	221876.77
Year ended 31.03.12	3.37	162010.10	0.65	34886.42	95.95	4523333.45	4.00	224518.36
2. WAX								
Year ended 31.03.13	0.02	1570.92	-	-	0.21	17155.40	0.03	2316.25
Year ended 31.03.12	0.02	1570.92	-	-	0.25	20799.27	0.02	1570.92
3. TOTAL								
Year ended 31.03.13	4.02	226089.28	1.17	68847.35	89.05	4627795.82	4.09	224193.02
Year ended 31.03.12	3.39	163581.02	0.65	34886.42	96.20	4544132.72	4.02	226089.28



NOTE 31- CONSUMPTION PARTICULARS OF RAW MATERIALS, STEEL COILS / SHEETS / STORES / SPAREPARTS AND COMPONENTS

	Imported		Indigenous		Quantity	Total
	Value (₹ in Lakhs)	% to total Consumption	Value (₹ in Lakhs)	% to total Consumption	MTs (in Lakhs)	(₹ in Lakhs)
31 March 2013						
Crude Oil and Gas	3719199.29	90	414732.62	10	97.42	4133931.91
Packing Materials Consumed			84.70	100		84.70
Steel Coils/Sheets/Stores/ Component and Spare Parts	2576.00	15	14564.81	85		17140.81
31 March 2012						
Crude Oil and Gas	3635271.38	92	298748.01	8	105.57	3934019.39
Packing Materials Consumed			106.80	100		106.80
Steel Coils/Sheets/Stores/ Component and Spare Parts	1343.36	12	10290.15	88		11633.51

NOTE "32" (i) - EXPENDITURE IN FOREIGN CURRENCY FOR ROYALTY, KNOW-HOW, PROFESSIONAL & CONSULTATION FEES & OTHER MATTERS

(₹ in Lakhs)

PARTICULARS	Note	31 March, 2013	31 March, 2012
1. Professional, Consultation Fees and Technical Fees		20.24	1080.45
2. Interest		6984.27	10298.47
3. Others		114.25	73.24
Total	A	7118.76	11452.16

A - Expenditure in Foreign Currency has been considered on accrual basis.

NOTE "32" (ii) - DIVIDEND REMITTED IN FOREIGN CURRENCY

(₹ in Lakhs)

Particulars	Note	31 March, 2013	31 March, 2012
Dividend (Net of taxes)	A	1.75	10.88

Note :

A - Figures for 2013 represents final dividend payment made to 365 (2012 - 370) Non- Resident Shareholders for the year 2011-12 holding 87300 (2012 - 90700) number of shares.

NOTE "33" - EARNINGS IN FOREIGN CURRENCY

(₹ in Lakhs)

Particulars	Note	31 March, 2013	31 March, 2012
Export of Petroleum Products	A & B	-	15666.57
TOTAL		-	15666.57

Note:

A - Export of Petroleum Products has been considered on FOB basis

B - Earnings in Foreign Currency has been considered on accrual basis

NOTE - "34" - CIF VALUE OF IMPORTS

(₹ in Lakhs)

Particulars	Note	31 March, 2013	31 March, 2012
1. Crude Oil	A	3734269.10	3576909.88
2. Capital Goods		641.72	2556.53
3. Revenue Stores, Component, Spare and Chemicals		2935.68	1060.13
Total		3737846.50	3580526.54

A - Value of imports made through Indian Oil Corporation Ltd, the holding company



Ten Year Profile

Ten year profile ~~~~~⇒ 98-99

WHAT WE OWE AND WHAT WE OWN

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
(₹ in lakhs)										
WHAT WE OWE										
Share Capital	14900	14900	14900	14900	14900	14900	14900	14900	14900	14900
Reserves	146091	185445	213051	248874	331552	291824	331308	361692	364413	187729
Networth	160991	200345	227951	263774	346452	306724	346208	376592	379313	202629
Borrowings	236531	239746	274789	183413	245045	154790	407789	422253	367234	590545
Deferred Tax Liability	34636	55082	56679	57352	60736	41400	57596	60447	63795	70710
Total	432158	495173	559419	504539	652234	502915	811593	859293	810342	863884
What We Own										
Fixed Assets										
(including Capital WIP)	458312	475322	483316	502939	536188	588211	672547	740217	790537	823168
Less: Depreciation	118920	138925	160627	181038	205410	230557	253579	282792	318460	349837
Fixed Assets (Net WDV including Capital WIP)	339392	336398	322689	321901	330778	357654	418967	457425	472077	473331
Intangible Assets	3998	5980	6011	6011	6011	2563	3792	4215	4754	4754
Less: Amortisation	22	506	1107	1705	2303	1212	1773	2470	3241	3701
Intangible Assets (Net WDV)	3976	5474	4904	4306	3708	1351	2020	1745	1513	1053
Investments	1197	2279	11553	11190	11047	2281	2343	2250	2363	2425
Working Capital	87593	151022	220273	167142	306702	141628	388263	397872	334390	387075
Total	432158	495173	559419	504539	652234	502915	811593	859293	810342	863884



WHAT WE EARNED AND WHAT WE SPENT

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
(₹ in lakhs)										
WHAT WE EARNED										
Income										
Turnover	947597	1629588	2540918	2934949	3288931	3648967	2918384	3812826	4538491	4684246
Interest	1163	632	1252	2165	1472	1933	2285	2798	4435	1172
Miscellaneous Receipts	1878	6965	2931	4231	11374	3474	21224	8809	4111	2882
Inventory Difference	5951	39740	39996	38836	51001	(122443)	65799	44661	53739	20499
Adjustment - Prior Years	(780)	(229)	833	0	78	877	0	(7)	(921)	(60)
Sub-Total	955809	1676697	2585930	2980181	3352857	3532807	3007692	3869087	4599855	4708739
WHAT WE SPENT										
Expenditure										
Raw Materials	768606	1280537	1978415	2314838	2590368	2980350	2395053	3155635	3973042	4270888
Manufacturing Expenses	87998	233487	449922	492038	512116	469572	453382	524605	485570	429705
Salaries & Benefits to Employees	10031	9357	9683	15063	14264	19294	27232	24022	25321	31543
Other Expenses	15522	23349	34587	27130	19305	74820	23198	31579	70263	62042
Interest	4680	15666	17403	18830	19481	22366	13736	25446	24938	46876
Depreciation	11746	20938	23584	24194	25161	25717	26714	31447	36542	37453
Sub-Total	898583	1583334	2513594	2892093	3180695	3592118	2939316	3792735	4615676	4878508
Profit Before Tax	57226	93363	72336	88088	172163	(59311)	68376	76352	(15822)	(169769)
Provision for Taxation	17221	33666	24240	31561	59868	(19583)	8054	25199	(22004)	6915
Profit After Tax	40005	59697	48096	56527	112295	(39728)	60322	51152	6183	(176684)
Dividend	7446	17871	17871	17869	25315	0	17869	17869	2978	0
Dividend Distribution Tax	954	2525	2506	3037	4302	0	2968	2899	483	0

FINANCIAL INDICATORS

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Debt Equity Ratio	1.47	1.20	1.21	0.70	0.71	0.50	1.18	1.12	0.97	2.91
Earnings per share (₹.)	26.86	40.08	32.29	37.96	75.41	(26.68)	40.51	34.35	4.15	(118.65)
Profit After Tax to Average Networth (%)	27.56	33.04	22.46	22.99	36.80	(12.16)	18.48	14.15	1.64	(60.72)
Dividend (%)	50	120	120	120	170	0	120	120	20	0
Dividend Payout (%)	21.00	34.17	42.37	36.98	26.37	0.00	34.54	40.60	55.99	0
(including Dividend Distribution Tax)										



E-COMMUNICATION REGISTRATION FORM
(exclusively meant for Shareholders holding shares in physical form)

To,

Karvy Computershare Private Limited
Unit: **CHENNAI PETROLEUM CORPORATION LIMITED**
Plot No.17 to 24, Vittalrao Nagar
Madhapur, Hyderabad - 500 081.

RE:- Green Initiative in Corporate Governance

Regd. Folio No.	
Name of 1st Registered Holder	
Name of Joint Holder/s	
Registered Address	
E-mail ID to be registered (IN CAPITAL LETTERS)	

Date:

Signature

(First Holders)

1. On registration, all the communications, including the Annual Reports, will be sent at the registered e-mail address aforesaid.
2. Shareholders are requested to keep the Company / its Share Transfer Agent / Depository Participant informed of any change in their e-mail address.



Chennai Petroleum Corporation Limited

PROXY

Folio No. : _____

No. of Shares : _____

I/We _____ of _____ in the District of _____ being member(s) of the above named Company hereby appoint _____ of _____ in the District of _____ or failing him/her _____ of _____ in the District of _____ as my/our proxy to vote for me/us on my/our behalf at the Forty Seventh Annual General Meeting of the Company to be held on the **21st day of August 2013** and at every adjournment thereof.

Signed this _____ day of _____ 2013.

Full Name _____

For Office use only.

Affix 30 paise
Revenue Stamp

Proxy No. : _____

Notes :

1. The instrument of proxy, to be valid, should be deposited at the Registered Office at 536, Anna Salai, Teynampet, Chennai 600 018, 48 hours before the meeting.
2. The instrument of proxy should be executed on 30 paise revenue stamp.



Chennai Petroleum Corporation Limited

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

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF NARADA GANA SABHA, CHENNAI - 600 018.

NAME OF THE MEMBER/PROXY : _____

FOLIO NO. : _____

I hereby record my presence at the FORTY SEVENTH ANNUAL GENERAL MEETING at 3.00 p.m. on 21st AUGUST 2013 at NARADA GANA SABHA, 314, T.T.K. ROAD, CHENNAI-600 018.

SIGNATURE OF THE MEMBER OR PROXY : _____

Note : Members who come to attend the meeting are requested to bring their copies of Annual Report with them.



CPCL received Nirayat Shree "Silver Trophy for Outstanding performance in the category of Export of Residual Products" for the year 2009-10. His Excellency the President of India presented the award. Shri Anand Sharma, Hon'ble Union Minister of Commerce and Industry was also present on the occasion.



CPCL received the Best Enterprise Award in the "Mini Ratna" category given by Forum of Women in Public Sector (WIPS) under Enterprise Award in Mini Ratna Category for 2013. Smt Panabaka Lakshmi, Hon'ble Union Minister of State for Petroleum and Natural Gas presented the award.



CPCL received the DPE & ICC PSE Excellence Award in the "Mini Ratna" category for sustainable Development and Corporate Social Responsibility. Shri O.P.Rawat, Secretary, Department of Public Enterprises presented the award.



The Memorandum of Settlement (LTS-I) under section 18 (1) and 12 (3) of the Industrial Dispute Act 1947 on the revision of pay and allowances for Workmen was signed between the Management and the recognized Unions of our Company on 12.12.2012 and 09.01.2013 respectively.



CPCL Manali Refinery received State Safety Award 2008 under the category of Group A in Scheme III for longest Accident Free Period in Manhours for the year 2008. Shri S.T.Chellapandian, Hon'ble Minister of Labour, Govt. of Tamilnadu presented the award.



The Department related Parliamentary Standing Committee on Home Affairs under the Chairmanship of Mr.M.Venkaiah Naidu, Hon'ble Member of Parliament visited Manali Refinery to assess on CPCL's Security and Disaster Management setup and held discussions with CPCL officials on 15th June, 2012.




चेन्नै पेट्रोलियम कॉर्पोरेशन लिमिटेड
(इंडियनऑयल की ग्रुप कम्पनी)

Chennai Petroleum Corporation Limited
(A group company of IndianOil)

536, Anna Salai, Teynampet, Chennai-600 018
Visit us at: www.cpcl.co.in

FORM A
**(FORM FOR SUBMISSION OF UNQUALIFIED AUDIT REPORT ALONG WITH ANNUAL
REPORT AS REQUIRED UNDER CLAUSE 31 (a) OF THE LISTING AGREEMENT)**

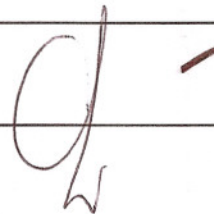
1.	Name of the Company :	CHENNAI PETROLEUM CORPORATION LIMITED
2.	Annual financial statements for the year ended	31st March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not applicable


(A.S.BASU)

MANAGING DIRECTOR


(D. LILLY)

DIRECTOR (FINANCE)



(L. SABARETNAM)

CHAIRMAN AUDIT COMMITTEE

STATUTORY AUDITORS



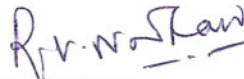
CHANDRAN & RAMAN

Chartered Accountants

P.N. Ramachandran

Membership No.13871

FRN: 000571S



S. VENKATRAM & Co.

Chartered Accountants

R. Vaidyanathan

Membership No.18953

FRN: 004656S

