

चेन्नै पेट्रोलियम कॉर्पोरेशन लिमिटेड

(इंडियनऑयल की ग्रुप कम्पनी)

Chennai Petroleum Corporation Limited

(A group company of IndianOil)



CPCL

CS:01:049

23.05.2016

The Secretary,
BSE Ltd.
Phiroze Jeejeeboy Towers,
25th Floor, Dalal Street,
Mumbai – 400 001

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No.C/1, G-Block,
Bandra Kurla Complex
Bandra (e)
Mumbai – 400 051

Dear Sir,

**Sub.: Audited Financial Results for the Quarter / Year ended
31st March 2016.**

Pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we enclose the audited standalone Financial Results for the Quarter and year ended 31.03.2016 and consolidated financial results for the year ended 31.03.2016 duly approved by the Board of Directors of the Company at its meeting held today i.e., 23.05.2016.

The Auditors Report (standalone and consolidated) on the Financial Statement for the financial year 2015-16 along with Form A are also enclosed herewith.

The Board has recommended a Dividend of 40% on the paid up equity share capital (Rs.4/share) for the year 2015-16.

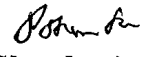
Certificate under Regulation 52(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 by All Bank Finance Ltd., the Debenture Trustees in respect of Non-convertible Debenture (Series II) is being sent separately.

The meeting of Board of Directors of the Company commenced at 10.00 a.m. and concluded at 03.15 pm.

This is for your information.

Thanking you,

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


(P.Shankar)
Company Secretary

23/5/16

STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in crore)

Sl. No	Particulars	Standalone					Consolidated	
		3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the	Accounting	Previous	Accounting	Previous
		31.03.2016	31.12.2015	31.03.2015	Year ended 31.03.2016	Accounting Year ended 31.03.2015	Year ended 31.03.2016	Accounting Year ended 31.03.2015
		Unaudited	Unaudited	Unaudited	Audited	Audited	Audited	Audited
1	Income from Operations							
	a) Gross Sales/Income from Operations	9164.37	6780.75	11138.65	34953.41	47877.82	35277.40	48170.15
	Less: Excise Duty	3300.86	1696.82	2324.66	8973.42	6030.34	9009.47	6062.11
	Net Sales/Income from Operations	5863.51	5083.93	8813.99	25980.00	41847.48	26267.93	42108.04
	b) Other Operating Income	6.14	4.31	9.96	14.17	18.48	16.03	20.03
	Total Income from Operations (Net)	5869.65	5088.24	8823.95	25994.16	41865.96	26283.96	42128.07
2	Expenses							
	a) Cost of materials consumed	4856.37	4453.51	7515.82	22814.23	39276.40	22991.59	39472.63
	b) Purchase of stock in trade	42.29	48.36	40.95	292.68	281.65	311.26	293.69
	c) Changes in inventories of finished goods, work-in-progress and stock in trade (Increase)/decrease	169.58	212.78	563.59	208.57	1320.81	218.58	1313.14
	d) Employee benefit expense	113.70	81.64	114.12	353.91	338.71	364.53	347.57
	e) Depreciation and Amortisation expense	69.44	63.80	49.27	265.66	226.12	269.02	229.46
	f) Excise Duty on Stocks / others (Net)	73.72	2.45	(50.29)	151.40	(20.23)	150.53	(19.16)
	g) Foreign Exchange fluctuation (gain)/ loss	17.60	9.86	(35.65)	167.62	146.60	166.91	145.83
	h) Other Expenditure	195.21	127.75	190.99	679.90	671.26	709.58	699.07
	Total Expenditure	5537.91	5000.15	8388.79	24933.97	42241.32	25182.00	42482.23
3	Profit (+) / loss (-) from Operations before Other Income, finance costs and exceptional items (1-2)	331.74	88.09	435.16	1060.19	(375.36)	1101.96	(354.16)
4	Other Income	7.93	6.79	16.80	36.61	36.70	32.72	31.03
5	Profit (+) / loss (-) from ordinary activities before finance costs and exceptional items (3+4)	339.67	94.88	451.96	1096.80	(338.66)	1134.68	(323.14)
6	Finance costs	57.31	60.91	87.39	309.35	403.73	309.76	404.33
7	Profit (+) / loss (-) from ordinary activities after finance costs but before exceptional items (5-6)	282.36	33.97	364.57	787.45	(742.39)	824.92	(727.47)
8	Exceptional items	-	-	-	-	-	-	-
9	Profit (+) / loss (-) from ordinary activities before tax (7-8)	282.36	33.97	364.57	787.45	(742.39)	824.92	(727.47)
10	Tax Expense	16.77	-	-	16.77	(703.40)	34.62	(694.21)
11	Net Profit (+) / loss (-) from ordinary activities after tax (9-10)	265.59	33.97	364.57	770.68	(38.99)	790.30	(33.26)
12	Extraordinary items	-	-	-	-	-	-	-
13	Net Profit / (Loss) for the period (11-12)	265.59	33.97	364.57	770.68	(38.99)	790.30	(33.26)
14	Paid-up Equity Share Capital (Face value ₹ 10/-)	149.00	149.00	149.00	149.00	149.00	149.00	149.00
15	Paid-up Debt Capital (Secured Redeemable Non-Convertible Debentures)	-	-	-	1000.00	2000.00	-	-
16	Reserves excluding Revaluation Reserves (as per balance sheet)	-	-	-	2147.67	1506.08	2253.89	1593.88
17	Debenture Redemption Reserve	-	-	-	150.00	-	-	-
17 (ii)	Capital Redemption Reserve	-	-	-	200.00	-	-	-
18. i	Basic and Diluted Earnings Per Share (₹) (before extraordinary items) (not annualised)	16.50	0.93	24.48	48.96	(2.62)	50.28	(2.23)
18. ii	Basic and Diluted Earnings Per Share (₹) (after extraordinary items) (not annualised)	16.50	0.93	24.48	48.96	(2.62)	50.28	(2.23)
19	Debt Equity Ratio	-	-	-	1.08	3.26	-	-
20	Debt Service Coverage Ratio (DSCR) (No. of times) *	-	-	-	1.03	1.07	-	-
21	Interest Service Coverage Ratio (ISCR) (No. of times) #	-	-	-	4.40	-	-	-
22	Physical Parameter - Crude Throughput (MMT)	2.832	1.931	2.716	9.644	10.782	9.644	10.782

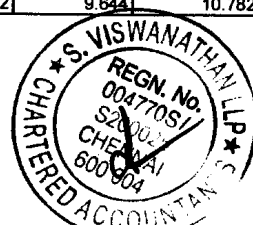
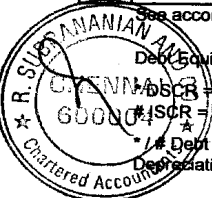
See accompanying note to the Financial Results

Debt Equity Ratio = Total Debt / Total Shareholders' fund

DSCR = [(Profit After Tax+Interest+Depreciation) / [Interest+Principal Repayment of Long Term Debt]]

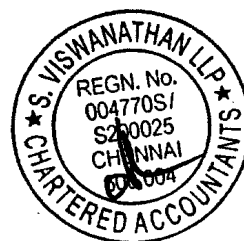
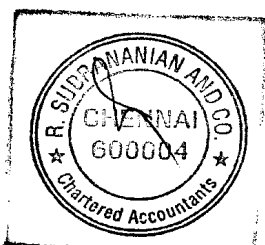
ISCR = [Profit Before Tax+Interest+Depreciation] / [Interest]

* / # Debt Service Coverage Ratio and Interest Service Coverage Ratio wherever negative are not reported as the Profit Before Depreciation Amortisation and Interest is negative.



Notes:

1.	The above results have been reviewed by the Audit Committee at its meeting held on 22.05.2016 and approved by the Board of Directors at its meeting held on 23.05.2016.
2.	The Board of Directors has recommended a dividend of 6.65% on the paid-up Preference Capital (prorata from date of allotment, 24.09.2015)) of the company, representing ₹ 0.345 per preference share and 40% on the paid-up Equity Capital of the company, representing ₹ 4 per equity share.
3.	The company operates only in one segment, Petroleum Sector. As such reporting is done on a single segment basis.
4.	Average Gross Refining Margin for the financial year 2015-16 is US\$ 5.27/bbl (2014-15: US\$ 1.97/bbl).
5.	Based on special resolution passed by the shareholders through postal ballot on 16.07.2015, the company has allotted 100 Crore Non Convertible Cumulative Redeemable Preference Shares of ₹ 10 each for cash at par amounting to ₹ 1000 Crore to Indian Oil Corporation Ltd, the holding company on private placement preferential allotment basis on 24.09.2015 after receipt of full subscription amount.
6.	The peak network of the company during the last 4 years prior to FY 2014-15 was ₹ 3793 crore and the network as on 31.03.2014 was ₹ 1722 crore. In line with the provisions of Sick Industrial Companies (Special Provisions), Act, 1985, CPCL had reported the fact of such erosion of more than 50% of peak network to BIFR in October 2014. The loss for the financial year ended 31.03.2015 was ₹ 39 crore and consequently the network further reduced to ₹ 1655 crore as on 31.03.2015. This has been reported to BIFR vide letter dated 12.10.2015, based on the approval of shareholders in the AGM held on 07.09.2015. The Network of CPCL (Standalone) as on 31.03.2016 is ₹ 3296.68 crore.
7.	In line with the scheme formulated by Petroleum Planning and Analysis Cell (PPAC), the company has accounted discount of ₹ 173.22 crore for the current financial year (₹ 4120.64 crore for the previous financial year) on crude oil purchased from Oil and Natural Gas Corporation Limited and has passed on the same as discount on products sold to Indian Oil Corporation Limited. The discount for the current quarter and corresponding quarter of previous year is 'Nil'. Accordingly, gross sales and consumption of raw-materials for the said periods are net of the like amounts.
8.	Pursuant to the requirements prescribed under Schedule II of Companies Act, 2013 the company has, effective 1st April 2015, reviewed and identified the components (significant parts) of main asset having different useful lives as compared to the main asset in line with the methodology followed by Indian Oil Corporation Limited (Holding company) and depreciation has been charged accordingly. Due to this, depreciation for the current financial year is higher by ₹ 39.84 crore. In addition, as per the transitional provision, the Company has charged ₹ 15.85 crore to the opening balance of general reserve as at 1st April 2015.
9.	Current tax for the financial year has been provided based on legal opinion.
10.	The Company has redeemed Non – Convertible Debentures (Series – I) amounting to ₹ 1000 Cr on 18.02.2016 by exercising Call option.
11.	The listed Non – Convertible Debentures (Series – II) aggregating to ₹ 1000 crore as on 31.03.2016 are secured by first charge on specific plant & machinery along with the underlying land together with all the building and structures standing on the said land to the extent of ₹ 1000 crore. Credit Rating in respect of these Debentures is AAA from CRISIL & ICRA. The previous due date, next due date for payment of Interest are 10.01.2016 & 10.01.2017 respectively. The principal amount of ₹ 1000 Cr is due for redemption on 10.01.2019.



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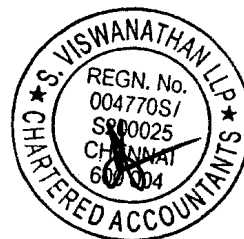
12.	The proceeds from the issue of Non-Convertible Debentures (Series – II) issued on 10.01.2014 and Non-Convertible Cumulative Redeemable Preference Shares allotted on 24.09.2015 have been utilised in accordance with the purposes for which fund have been raised.
13.	The figures of the last quarter are the balancing figures between the audited figures of the financial year and the published results upto the third quarter of the respective financial years.
14.	The Consolidated Financial Results have been prepared in line with the requirements of Accounting Standards (AS) – 21 “Consolidated Financial Statements: Accounting Standard (AS) - 27 “Financial Reporting on interest in Joint Ventures”.
15.	Figures have been re-grouped wherever necessary.
16.	The Audited Accounts are subject to supplementary audit by the Comptroller and Auditor General of India under section 143(6)(a) of Companies Act,2013.

For and on behalf of the Board of Directors

S. Krishna Prasad

**S. Krishna Prasad
DIRECTOR (FINANCE)**

**Place: Chennai
Date: 23.05.2016**



Statement of Assets and Liabilities

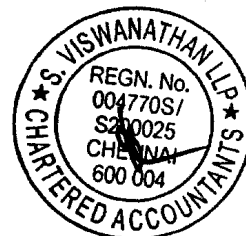
Sl. No.	Particulars	Standalone		Consolidated	
		As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2016
A	EQUITY AND LIABILITIES				
1	Shareholders' funds				
	(a) Share Capital	1149.00	149.00	1149.00	149.00
	(b) Reserves & Surplus	2147.68	1506.08	2253.89	1593.88
	Subtotal-Shareholder's funds	3296.68	1655.08	3402.89	1742.88
2	Non-Current liabilities				
	(a) Long-Term borrowings	1000.00	1000.00	1000.00	1000.00
	(b) Deferred Tax Liability (net)	-	-	1.16	1.63
	(b) Other long-term liabilities	4.09	4.82	4.09	4.82
	(c) Long-term provisions	50.98	45.61	63.78	54.35
	Subtotal-Non-current liabilities	1055.07	1050.43	1069.03	1060.80
3	Current liabilities				
	(a) Short-Term borrowings	2560.48	3399.06	2560.48	3399.09
	(b) Trade payables	2481.81	3234.47	2505.63	3249.21
	(c) Other current liabilities	722.64	1522.37	726.46	1524.46
	(d) Short term provisions	187.26	93.21	192.07	94.94
	Subtotal-current liabilities	5952.19	8249.11	5984.65	8267.71
	TOTAL- EQUITY AND LIABILITIES	10303.94	10954.62	10456.57	11071.39
B	ASSETS				
1	Non-current Assets				
	(a) Fixed Assets	5737.01	4859.23	5765.02	4886.33
	(b) Non-current investments	14.23	25.42	2.40	13.59
	(c) Long term loans and advances	147.95	127.26	152.72	129.68
	(d) Other non-current assets	-	-	0.10	0.12
	Subtotal-Non-current Assets	5899.19	5011.91	5920.24	5029.72
2	Current Assets				
	(a) Inventories	3205.73	3805.09	3246.72	3856.92
	(b) Trade receivables	761.40	1828.11	799.86	1850.46
	(c) Cash and Bank Balances	38.86	39.91	77.02	47.04
	(d) Short-term loans and advances	394.89	268.46	408.25	284.89
	(e) Other current assets	3.87	1.14	4.49	2.38
	Subtotal-current Assets	4404.75	5942.71	4536.34	6041.67
	TOTAL ASSETS	10303.94	10954.62	10456.57	11071.39

For and on behalf of the Board of Directors

S. Krishna Prasad

S. Krishna Prasad
DIRECTOR (FINANCE)

Place: Chennai
Date : 23.05.2016



CHENNAI PETROLEUM CORPORATION LIMITED
(A group company of Indian Oil)
Regd. Office: 536, Anna Salai, Teynampet, Chennai-600 018
Website : www.cpcl.co.in ; Email id: sld@cpcl.co.in
Tel: 044-24349833 / 24346807 Fax: 044-24341753
CIN - L40101TN1965GOI005389

STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in crore)

Particulars	Standalone				Consolidated	
	3 months ended 31.03.2016	Corresponding 3 months ended in the Previous year 31.03.2015	Accounting Year ended 31.03.2016	Previous Accounting Year ended 31.03.2015	Accounting Year ended 31.03.2016	Previous Accounting Year ended 31.03.2015
	Unaudited	Unaudited	Audited	Audited	Audited	Audited
Total income from operations (net)	5869.65	8823.95	25994.16	41865.96	26283.96	42128.07
Net Profit / (Loss) from ordinary activities after tax	265.59	364.57	770.68	(38.99)	790.30	(33.26)
Net Profit / (Loss) for the period after tax (after Extraordinary items)	265.59	364.57	770.68	(38.99)	790.30	(33.26)
Equity Share Capital	149.00	149.00	149.00	149.00	149.00	149.00
Reserves (excluding Revaluation Reserve as per Balance Sheet)			2147.67	1506.08		
Earnings Per Share (before extraordinary items) (Face value of ₹ 10 /- each)						
Basic (₹ / share)	16.50	24.48	48.96	(2.62)	50.28	(2.23)
Diluted (₹ / share)	16.50	24.48	48.96	(2.62)	50.28	(2.23)
Earnings Per Share (after extraordinary items) (Face value of ₹ 10 /- each)						
Basic (₹ / share)	16.50	24.48	48.96	(2.62)	50.28	(2.23)
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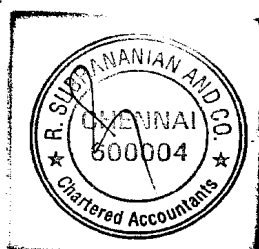
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The above is an extract of the detailed format of quarterly and year ended financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and other Disclosure Requirements) Regulations, 2015. The full format of the Financial Results for the said Quarter and Year end are available on the Stock Exchange websites: www.bseindia.com and www.nseindia.com. The same is also available on the company's website www.cpcl.co.in

For and on behalf of the Board of Directors

S. Krishna Prasad
S. Krishna Prasad
DIRECTOR (FINANCE)

Place : Chennai
Date : 23.05.2016



R. SUBRAMANIAN AND COMPANY*Chartered Accountants*

New No.6, Old No.36,
Krishnaswamy Avenue,
Luz, Mylapore,
Chennai – 600 004.

S. VISWANATHAN LLP*Chartered Accountants*

No.17, Bishop Wallers Avenue (West)
C.I.T Colony,
Mylapore,
Chennai – 600 004.

INDEPENDENT AUDITORS' REPORT

To

The Members of
Chennai Petroleum Corporation Limited
Chennai

REPORT ON THE FINANCIAL STATEMENTS

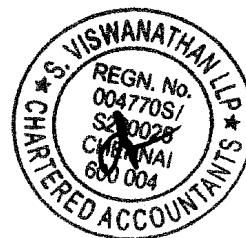
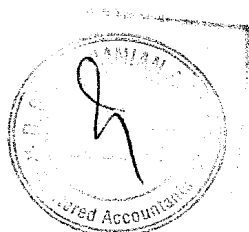
We have audited the accompanying financial statements of Chennai Petroleum Corporation Limited ("the company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.



We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view 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 Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

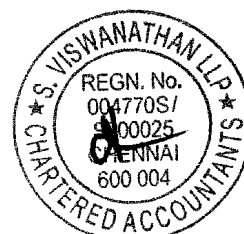
OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2016;
- b) in the case of the Statement of Profit and Loss, of the profit 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

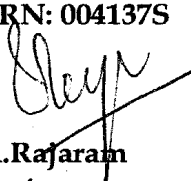
1. As required under 143 (5) of The Companies Act , 2013 ,we give in the Annexure I of our report on the directions issued by the Comptroller and Auditor General Of India .
2. As required by the Companies (Auditor's Report) Order, 2016 ("The Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order.



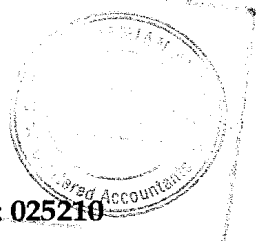
3. As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) Clauses referred to Section 164 (2) of the Companies Act 2013 does not apply to directors of Government Companies as per the notification .
- f) With respect the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in Annexure 'B'.
- g) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer note: 28(1)(a) to financial statements).
 - (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred to the investor education and protection fund by the company.

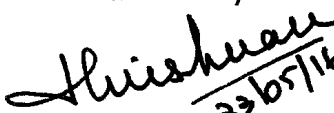
For R.Subramanian and Company
Chartered Accountants
FRN: 004137S


R. Rajaram
Partner

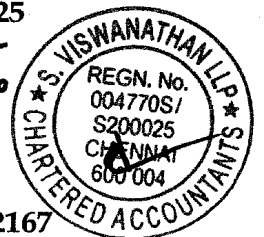
Membership No: 025210



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


V C Krishnan
Partner

Membership No: 022167



Place : Chennai
Date : 23rd May 2016

Annexure- I to Independent Auditors' Report

The Annexure referred to in paragraph 1 of Our Report of even date to the members of Chennai Petroleum Corporation Limited on the accounts of the company for the year ended 31st March 2016.

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

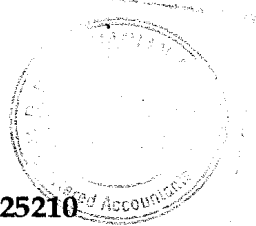
- a) The company is in possession of 186.86 acres of Land allotted by Government of Tamil Nadu (classified as Poramboke) for which Assignment deed is yet to be received.
- b) There were no material waiver / write off of debts/loans/interest etc other than waiver /write off in the normal course of business which are based on facts of such cases and approval as per delegation of authority.
- c) The company has maintained adequate records in respect of inventories lying with third parties. No assets have been received as gifts from Government and Other authorities during the year.

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

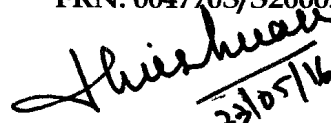


R.Rajaram
Partner

Membership No: 025210

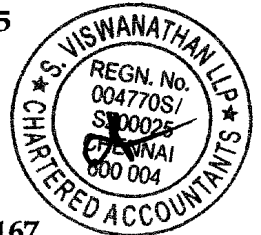


For S. Viswanathan LLP
Chartered Accountants
FRN: 004770S/S200025



V C Krishnan
Partner

Membership No: 022167



Place : Chennai
Date : 23rd May 2016

Annexure- A to Independent Auditors' Report

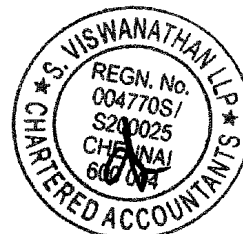
The Annexure referred to in paragraph 2 of our report of even date to the members of Chennai Petroleum Corporation Limited. On the accounts of the company for the year ended 31st March 2016.

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

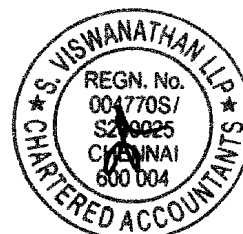
1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) The company has a program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner in a period of 4 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were observed by the Management on such verification.

(c) The company is in possession of 186.86 acres of Land allotted by Government of Tamil Nadu (classified as Poramboke) for which Assignment deed is yet to be received.
2. According to the Information and explanation given to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses 3 (a) and 3(b) are not applicable.
4. The company has not provided any loan or investments or Guarantees or Securities which falls under the purview Sec 185 and Sec 186 of Companies Act 2013.
5. According to the information and explanations given to us, the Company has not accepted deposits from the public and consequently the directives issued by the Reserve Bank of India and provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and Companies (Acceptance of Deposits) amended Rules, 2015 are not applicable.



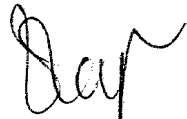
6. We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section 1 of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
7. (a) According to the information and explanations given to us, the Company is regular in depositing with the appropriate authorities the undisputed statutory dues in the case of Provident Fund, Employees' State Insurance and Tax deducted at source. To the best of our knowledge and according to the information and explanations given to us, there are no arrears of outstanding statutory dues as at March 31, 2016 for a period of more than six months from the date they became payable.
- (b) The details of disputed dues of Income tax, Sales tax, Excise duty, Customs duty and value added tax which have not been deposited as on 31st March 2016 are given in the Annexure "II" to our report.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any dues to financial institutions, banks and debenture holders.
9. In our opinion and according to the information and explanations given to us, the Company has not raised any money by the way of initial public offer (including debt instruments) and hence this clause is not applicable.
10. According to the information and explanations given to us, by the Company, no fraud on or by the Company has been noticed or reported, during the year.
11. The managerial remuneration paid by the company is as per the Sec 197 of The Companies Act 2013 and Schedule V of the Companies Act 2013.
12. The Company is not a Nidhi company hence this clause is not applicable.
13. All transactions mentioned are in compliance with Sec 177 and Sec 188 of the Companies Act 2013 and are disclosed as required under the applicable Accounting Standard.
14. The Company has made a preferential allotment of Non Convertible Redeemable Preference Shares for Rs 100000/- lakhs and the company has complied with the requirements of Sec 42 of the Companies Act 2013 and the amounts raised were used for the purpose for which the fund were raised.



15. The company has not entered into any non-cash transactions with the Directors or the persons connected with him which will come under the purview of Sec 192 Companies Act 2013.

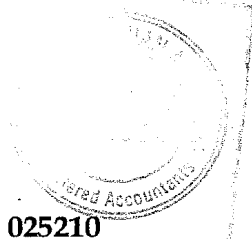
16. As the Company is not in non banking financial services this clause is not applicable.

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

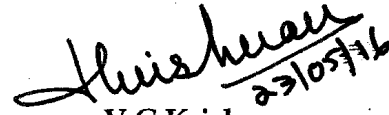


R. Rajaram
Partner

Membership No: 025210

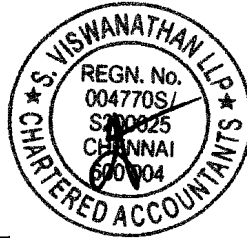


For S. Viswanathan LLP
Chartered Accountants
FRN: 004770S/S200025



V C Krishnan
Partner

Membership No: 022167



Place : Chennai

Date : 23rd May 2016

Annexure - B to the Auditors' Report

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

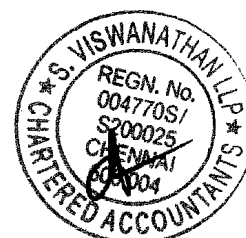
We have audited the internal financial controls over financial reporting of Chennai Petroleum Corporation Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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



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

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

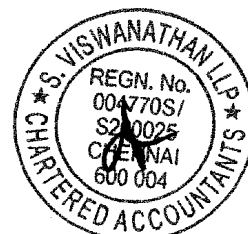
Meaning of Internal Financial Controls over Financial Reporting

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

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

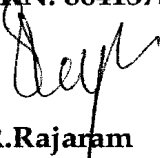
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

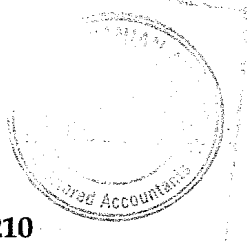


Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

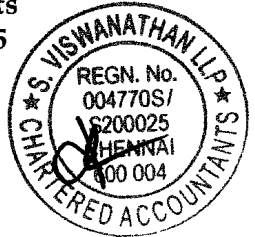
For R.Subramanian and Company
Chartered Accountants
FRN: 004137S


R. Rajaram
Partner
Membership No: 025210



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


V C Krishnan
Partner
Membership No: 022167



Place : Chennai
Date : 23rd May 2016

R. SUBRAMANIAN AND COMPANY
Chartered Accountants
New No.6, Old No.36,
Krishnaswamy Avenue,
Luz, Mylapore,
Chennai – 600 004.

S. VISWANATHAN LLP
Chartered Accountants
No.17, Bishop Wallers Avenue (West)
C.I.T Colony,
Mylapore,
Chennai – 600 004.

INDEPENDENT AUDITORS' REPORT

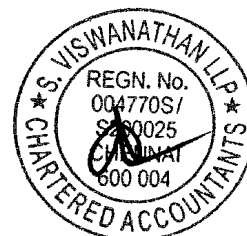
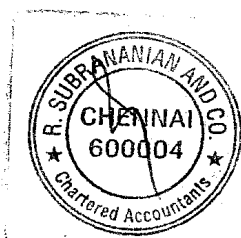
To
The Members of
Chennai Petroleum Corporation Limited
Chennai

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of Chennai Petroleum Corporation Limited (hereinafter referred to as "the Holding Company") and its jointly controlled entity which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")

Management's Responsibility for the Consolidated Financial Statements

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



Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

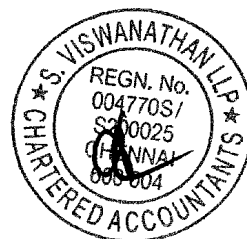
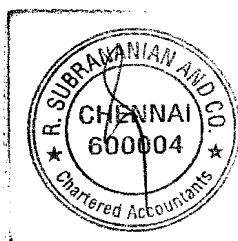
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company and its jointly controlled entity as at 31st March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.



Emphasis of Matter

- I. *Attention is drawn to Note No 29 (15) (b) regarding non consolidation of financial statements of the joint controlled entity National Aromatics and Petrochemical Corporation Limited for the reasons stated therein. Our opinion is not qualified in that respect.*

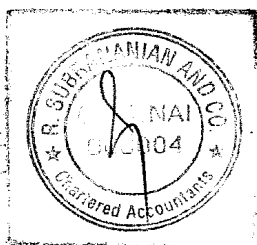
Other Matters

We did not audit the financial statements of the jointly controlled entity Indian Additives Limited whose financial statements reflect total assets of Rs.32918.61 Lakhs as at 31st March, 2016, total revenues of Rs. 58,508.30 Lakhs and net increase in cash flows amounting to Rs.6158.18 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid jointly controlled entity, is based solely on the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

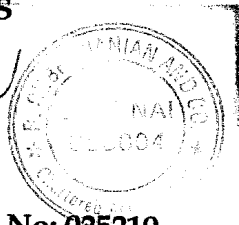
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) Clauses referred to Section 164 (2) of the Companies Act 2013 does not apply to directors of Government Companies as per Government of India, Ministry of Corporate Affairs, Notification dated 5th June 2015 and based on the report of the auditor of the Joint Controlled Entity none of the directors of the jointly controlled entity incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.



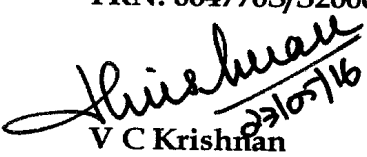
- (f) With respect the adequacy of internal financial controls over financial reporting of the holding Company and its jointly controlled entity and the operating effectiveness of such controls refer to our separate report in Annexure 'A'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The consolidated financial statements discloses the impact of pending litigations on the consolidated financial position of the Company, and jointly controlled entity in accordance with the generally accepted accounting practice- Refer Note 29(1)(a) to the consolidated financial statements.
 - (ii) The Company and jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its jointly controlled entity incorporated in India.

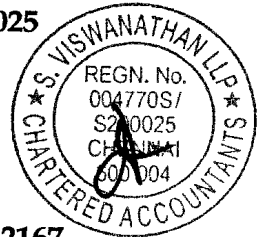
For R.Subramanian and Company
Chartered Accountants
FRN: 004137S


R. Rajaram
Partner
Membership No: 025210



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


V C Krishnan
Partner
Membership No: 022167



Place : Chennai
Date : 23rd May, 2016

Annexure - A to the Auditors' Report

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

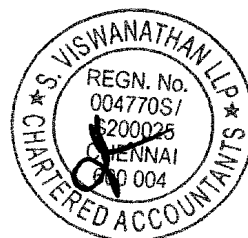
We have audited the internal financial controls over financial reporting of Chennai Petroleum Corporation Limited (hereinafter referred to as "the Holding Company") as of 31 March 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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



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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

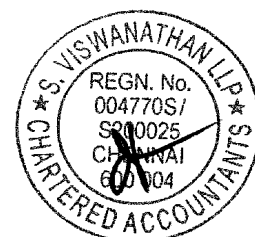
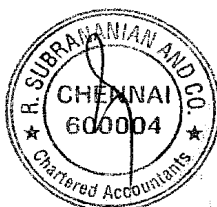
Meaning of Internal Financial Controls over Financial Reporting

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

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



Opinion

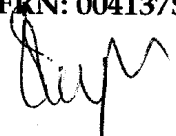
In our opinion, the Holding company and its jointly controlled company , which are companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

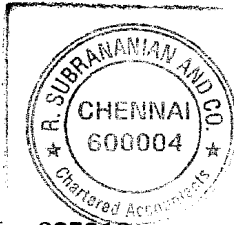
Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to Indian Additives Limited , jointly controlled company , which is incorporated in India , is based on the corresponding report of the auditors of such company incorporated in India.

For R.Subramanian and Company
Chartered Accountants

FRN: 004137S


R. Rajaram
Partner

Membership No: 025210

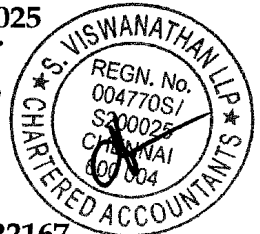


For S. Viswanathan LLP
Chartered Accountants

FRN: 004770S/S200025


V C Krishnan
Partner

Membership No: 022167



Place : Chennai

Date : 23rd May 2016

FORM A

(FOR AUDIT REPORT WITH UNMODIFIED OPINION AS REQUIRED UNDER REGULATION 33(3)(d) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

1.	Name of the Company :	CHENNAI PETROLEUM CORPORATION LIMITED
2.	Annual financial statements for the year ended	31st March 2016
3.	Type of Audit observation	Standalone Financial Statements - Un-qualified Consolidated Financial Statements - Only Emphasis of matter without any qualification *
4.	Frequency of observation	Consolidated Financial Statements – Only Emphasis of matter without any qualification (First time)

***Emphasis of Matter:** Attention is drawn to Note No 29 (15) (b) regarding non consolidation of financial statements of the joint controlled entity National Aromatics and Petrochemical Corporation Limited for the reasons stated therein. Our opinion is not qualified in that respect.

Management Response: The Clarification provided in Note No 29 (15) (b) of Consolidated Financial Statements is reproduced below :

“Consolidation in respect of financials of JV company National Aromatics and Petrochemicals Corporation Ltd has not been incorporated in the preparation of Consolidated Financial Statements in view of the following :

- i) The investments have been fully provided for diminution in value
- ii) JV is not operational
- iii) The company has decided to exit from the JV and the process in this regard is already initiated.

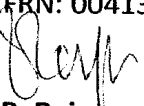
In the opinion of the company, the non consolidation of financial of the JV will not have material impact on the consolidated financial results of the company.”

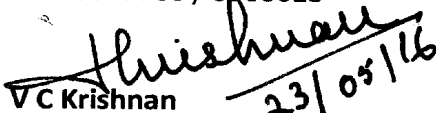

(Gautam Roy)
Managing Director


(S. Krishna Prasad)
Director (Finance)


(G. Ramaswamy)
Chairman Audit Committee

STATUTORY AUDITORS

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Chartered Accountants
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R. Rajaram
Membership No. 025210

S. VISWANATHAN LLP
Chartered Accountants
FRN: 004770S / S200025

V C Krishnan
Membership No. 022167

Place : Chennai
Date : 23.05.2016