

चेन्नै पेट्रोलियम कॉर्पोरेशन लिमिटेड

(इंडियन ऑयल की ग्रुप कम्पनी)

Chennai Petroleum Corporation Limited

(A group company of IndianOil)



CS:01:057

06.10.2016

The Registrar,
Board for Industrial and Financial Reconstruction (BIFR)
Government of India,
Ministry of Finance, Department of Financial Services,
Jawahar Vyapar Bhawan,
1, Tolstoy Marg, New Delhi.

Dear Sir,

Sub.: Improvement in the network (standalone) of the company as on 31.03.2016 – Reporting to BIFR pursuant to Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 ("SICA") – Regulation 36 of the BIFR Regulations 1987.

भारत सरकार/GOVT OF INDIA
जी सि एन सी एल 9154(H)
राष्ट्रीय प्र./N. No.
दिनांक/Date: 13/10/16
रमकृष्ण
13/10/16

This has reference to our letters of even number dated 08.10.2014, wherein we had reported the fact of erosion of more than 50% of the peak network of the Company over the previous 4 financial years at the end of the Financial Year, 31.03.2014 (**Attachment – I**) and letter dated 12.10.2015 wherein we had reported the fact of further reduction of network of the Company at the end of the Financial Year, 31.03.2015 (**Attachment – II**). Further, the improvement in the network as on 30.09.2015 was informed to BIFR vide our letter dated 23.11.2015 (**Attachment – III**).

The Directors' Report of the Company for the year 2015-16 dated 01.08.2016 contained disclosure under Section 23(1) (b) of the Sick Industrial Companies (Special Provisions) Act 1985 on various measures, both short term and long term undertaken by the Company during the year 2015-16, including allotment of non-convertible cumulative redeemable preference shares for Rs.1000 crore to Indian Oil Corporation Limited, the holding company in September 2015, whereby the network (standalone) of the company as on 31.03.2016, improved to Rs.3297 crore.

CPCL has turnaround during the Financial Year 2015-16, after four years of consecutive losses by registering a profit before tax of Rs.787.45 crore and profit after tax of Rs.770.68 crore. The company has also declared an equity dividend of 40% on the paid up equity share capital of the company for the year 2015-16. The turnaround was mainly due to improvement in operational performance and excellent financial performance, reduction in financing cost, support from holding company, Indian Oil Corporation Limited and softening of prices .

In view of the improvement in the networth as on 31.03.2016 (standalone) of the company from Rs.1655.08 crore to as on 31.03.2015 to Rs.3296.67 crore as on 31.03.2016, (which includes the Preference Share Capital of Rs.1000 crore raised during the Financial Year 2015-16) which is more than 50% of the peak networth during the immediately preceding four financial years as on 31.03.2016, the provision of section 23 of the SICA Act would no longer be applicable to the company effective 01.04.2016. The company is required to report the same to BIFR within 60 days of adoption of accounts .

The shareholders of the company at the 50th Annual General Meeting held on 07.09.2016, wherein the accounts for the Financial Year 2015-16 was adopted, passed an ordinary resolution (**Attachment – IV**) taking note of improvement in the networth of the company (standalone) from Rs.1655.08 crore as on 31.03.2015 to Rs.3296.67 crore as on 31.03.2016 which is more than 50% of the peak networth during the immediately preceding four financial years as on 31.03.2016.

Accordingly, we hereby report the fact of improvement in the networth of the company as on 31.03.2016 which is more than 50% of the Peak Net Worth of the Company during the immediately preceding four financial years as on 31.03.2016, in Form C and request you to take the same on record that CPCL will be out of reporting to BIFR from 01.04.2016.



We would also like to mention that CPCL continued its excellent performance during the 1st quarter of the Financial Year 2016-17 by registering a profit before tax of Rs. 638.07 crore and a profit after tax of Rs.469.80 crore.

Thanking you,

For **Chennai Petroleum Corporation Limited**


(S.Krishna Prasad) 6/11/16
Director (Finance)

Encl: a/a

