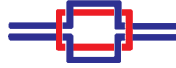


**Petronet CCK Limited**

Seventeenth Annual Report

2014-15



## **Petronet CCK Limited**

REGISTERED OFFICE : Irimpanam installation of  
Bharat Petroleum Corporation Ltd.  
Irimpanam P.O., Cochin - 682 309

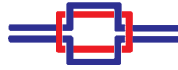
WEB SITE : [www.petronetcck.com](http://www.petronetcck.com)

CORPORATE IDENTITY NO. : U60300KL1998PLC012336

AUDITORS : Menon & Ayyar,  
Chartered Accountants  
57/1059, Iyyattil Lane, Chittur Road,  
Iyyattil Junction, Ernakulam, Kochi - 11

COST AUDITORS : BBS & Associates,  
Cost Accountants,  
ST Reddiar & Sons (1 Floor),  
Veekshanam Road, Ernakulam, Kochi - 35

SECRETARIAL AUDITORS : BVR & Associates  
Company Secretaries  
Swastika. 53/3933, Lal Salam Road,  
Ponnurunni, Vyttila P.O., Kochi - 19



## Board of Directors

### Chairman



S. P. Gathoo



P. Balasubramanian  
(upto 29.05.2014)



P. M. Thomas



K.V. Shenoy  
(upto 29.05.2014)



Prasad K Panicker



K. Sivakumar  
(w.e.f. 15.07.2014)



Shekhar Kumar Agrawal  
(w.e.f. 15.07.2014)

### Managing Director

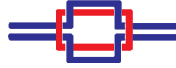


N. Vijayagopal  
(w.e.f. 01.06.2014)

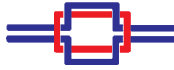


D. Bhaskaran  
(upto 31.05.2014)

S. Ramesh  
Company Secretary



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## NOTICE TO SHAREHOLDERS

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of Petronet CCK Limited will be held on Wednesday, 2<sup>nd</sup> September 2015 at 01.00 P.M. at the Registered Office of the Company located at the Irimpanam Installation of Bharat Petroleum Corporation Limited, Irimpanam, Cochin-682 309, to transact the following business:-

### Ordinary Business

1. To receive, consider and adopt the Balance Sheet at 31st March 2015, the Profit & Loss Account for the year ended as on that date, and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend
3. To appoint a Director in the place of Shri. S.P.Gathoo (DIN: 05102526) who is retiring by rotation. The retiring Director is eligible for re-appointment.
4. To appoint a Director in the place of Shri S.K. Agrawal (DIN:06908669) who is retiring by rotation. The retiring Director is eligible for re-appointment.
5. To authorize the Board to fix the remuneration of the Statutory Auditors, appointed by the Comptroller and Auditor General of India, for the financial year 2015-16.

To consider and if thought fit, to pass with or without modification, the following Resolution:

**“RESOLVED** that pursuant to the provisions of the Companies Act 2013, the Board of Directors be and are hereby authorized to fix the remuneration of the Statutory Auditors appointed by the Comptroller & Auditor General of India (C&AG), for the financial year 2015-16”.

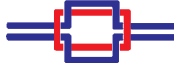
### Special Business

6. To consider and if thought fit to pass with or without modification the following Resolution as an ordinary Resolution, for ratification of remuneration payable to the Cost Auditors:

**“RESOLVED** that pursuant to the provisions of Section 148 and other applicable provisions, if any of the Companies Act, 2013, and subject to such guidelines/Rules as may be notified by the Central Govt. M/s.BBS & Associates, Cost Accountants appointed as Cost Auditors of the Company by the Board of Directors for the financial year 2015-16, be paid an annual remuneration of Rs.30,000/- + reimbursement of out of pocket expenses + applicable taxes for conducting the cost audit.

### Note :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.



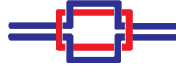
2. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to item No. 5 & 6 is annexed hereto and forms part of the Notice.
3. The Comments of the Comptroller & Auditor General of India (C&AG), pursuant to a Supplementary audit conducted by C&AG under the provision of the Companies Act 2013, of the financial statements of Petronet CCK Limited, for the year ended 31st March, 2015, become a part of the Annual Report for 2014-15.

**Registered Office:  
Irimpanam Installation of BPCL  
Irimpanam, Cochin – 682 309**

**By Order of the Board of Directors  
For Petronet CCK Ltd**

**Sd/-  
S. Ramesh  
Company Secretary**

**Date : 7.8.2015**



## STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT 2013

### **Item No.5 : Regarding remuneration of Statutory Auditors:**

Consequent to the applicability of Section 619B of the Companies Act 1956, w.e.f. Financial year 2008-09, the Statutory Auditors of the Company are appointed by the Comptroller & Auditor General of India.

As per the provisions of the Companies Act, the remuneration of an auditor appointed by the Comptroller and Auditor General of India, for the financial year 2015-16 shall be fixed by the Company in General Meeting or in such manner as the company in general meeting may determine. Accordingly, the Shareholders in the Annual General Meeting to be held on 2<sup>nd</sup> September 2015 would consider and if thought fit, authorise the Board to fix the remuneration of the auditors.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise in this Resolution.

The Board recommends the ordinary Resolution as set out in item No.5 of the notice for approval by the Shareholders.

### **Item No.6 : Ratification of the remuneration of Cost Auditors :**

In line with the provisions of Sec. 148 of Companies Act, 2013 and other applicable Rules issued by Central Govt., based on the recommendation of the Audit Committee, the Board of Directors have to appoint Cost Auditors and fix the remuneration and the said remuneration has to be ratified by the shareholders in the AGM. Accordingly, in the Board Meeting held on 31.07.2015, based on the recommendation of the Audit Committee, M/s. BBS & Associates, Cost Accountants, Cochin were appointed as Cost Auditors of the Company for the Financial Year 2015-16. The Board approved an annual remuneration of Rs.30,000/- + reimbursement of out-pocket expenses + applicable taxes for conducting the Cost Audit.

In line with Section 148 (3) and other applicable Rules, the remuneration approved by the Board of Directors have to be ratified subsequently by the Shareholders. M/s.BBS & Associates have submitted necessary certificate under the relevant provisions of the Companies Act, enabling the said appointment. Accordingly, the subject as set out in Item No.6 of the Notice is brought before the Shareholders for approval.

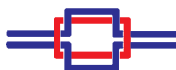
None of the Directors/Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise in this Resolution.

**Registered Office:  
Irimpanam Installation of BPCL  
Irimpanam, Cochin – 682 309**

**By Order of the Board of Directors  
For Petronet CCK Ltd**

**Sd/-  
S. Ramesh  
Company Secretary**

**Date : 7.8.2015**



## DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

Your Directors take pleasure in presenting the Seventeenth Annual Report of your Company along with the Audited Accounts of the Company for the year ended 31st March 2015.

It is a matter of great pleasure that your company has continued with the improved performance during the financial year 2014-15. The revenue for the year grew by 9.95% compared to the last year. The Company could achieve an operating profit of Rs.85.17 Crores. Profit before taxation was an all time high of Rs.65.23 Crores. Net Profit after taxation, amounted to Rs.42.96 Crores.

### FINANCIAL HIGHLIGHTS

( ₹ in lakhs )

	2014-15	2013-14
Income from operations (including other income)	10249.84	9322.10
Operating expenses and employee costs	1732.80	1637.47
Operating profit	8517.04	7684.63
Finance cost	-	206.05
Profit before depreciation	8517.04	7478.58
Depreciation & amortisation	1994.34	2822.64
Profit before tax and prior period items	6522.70	4655.94
Prior period depreciation	-	196.68
<b>Profit before tax</b>	<b>6522.70</b>	<b>4459.26</b>
Provision for Tax	2226.26	1731.40
Less: Mat Credit entitlement	-	1725.66
Net Tax	2226.26	5.74
<b>Profit for the period after tax</b>	<b>4296.44</b>	<b>4453.52</b>

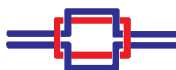
### Review of Operations

#### Throughput – Growth

The pipeline achieved modest throughput of 2.458 MMT during the year 2014-15 compared to previous year throughput of 2.447 MMT with a positive growth rate of 0.45 %.

On revenue front, positive growth has been maintained since 2005-06 on account of increase in throughput as well as periodical upward revision in rail tariff. The revenue from pipeline transportation has increased from Rs.92.91 Cr in 2013-14 to Rs.98.27 Cr in 2014-15. The Company continues to make constant efforts to improve the pipeline utilization further in co-ordination with BPCL.





## **DIVIDEND**

Your Board is pleased to recommend a dividend of 5% (Rs. 0.50 per share) for the financial year ended 31st March, 2015, subject to the approval of shareholders in the Annual General Meeting. The Company had paid a similar 5% dividend in the previous year also.

The Company has not transferred any funds to Reserves.

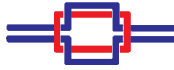
## **ACHIEVEMENTS AT A GLANCE**

### **Pipeline Operations & Maintenance**

1. PCCCL achieved a throughput of 2.458 MMT during 2014-15 surpassing the previous best of 2.447 MMT in 2013-14. Coimbatore Terminal achieved highest ever throughput of 1.162 MMT.
2. Pipeline loss maintained at NIL level.
3. Company continues to maintain three international standards by M/s.DNV GL business Assurance India Private Limited, Chennai, compliance to which have helped to maintain overall quality/ environment and safety in pipeline operation and maintenance, resulting in high level of customer satisfaction.
4. Some of the major improvements carried out during 2014-15 are as follows:
  - a. Installed additional 12 nos. of Kirk cell for mainline protection
  - b. Major overhauling of MP-1 HT motor completed.
  - c. Installed Flame Detectors for Cochin pump house as per OISD recommendations.
  - d. VLF testing of 6.6 KV power cable carried out as per IEEE 400.2-2013
  - e. Sump tank level Hi-Hi alarm linked for ESD as per OISD recommendations
  - f. Double earthing provided to all MOVs and electrical equipment as per OISD recommendations

### **HSE & Employee Development Activities**

1. As required under PNGRB Act 2006, Emergency Response and Disaster Management Plan document for CCK pipeline got certified by M/s.TQ Services, Hyderabad (Third party certification agency for PNGRB).
2. Training on Fire and Safety was imparted to all company employees and contractor employees. The number of injuries, accidents and other adverse health effect reported is NIL.
3. Line patrolling (pipeline security) is monitored closely to protect ROU and pipeline and records are properly maintained. Terminal-in-charge and executives also patrol the pipeline.



4. Focused safety training imparted to all security guards positioned at SV stations and Line Patrolling
5. All the employees in Operation / Finance / HR / Administration / Secretarial Depts. were given intensive training.

## **FINANCE**

The Company is completely debt free. The surplus funds generated from Operations are fruitfully invested in fixed deposits with scheduled banks and in the Financial Year 2014-15, the Company earned an interest income of Rs.3.95 Crores.

The claims for enhanced compensation filed by landowners in various District Courts are being defended legally. During the financial year 2014-15, the Company settled many compensation cases, complying with the District Court Judgments, with nominal enhancements in the compensation.

## **CHANGE IN THE STATUS OF THE COMPANY**

Consequent to the transfer of 19.97% share capital held by IDFC in PCCKL to BPCL, the total shareholding of BPCL in PCCKL became 68.97%, consequent to which PCCKL has become a subsidiary of BPCL and also a Govt. Company w.e.f.29.05.2015.

## **DIRECTORS & KEY MANAGERIAL PERSONNEL**

Presently, the Board comprises of six Directors – three nos. nominated by BPCL viz. Shri.N.Vijayagopal (MD), Shri.K.Sivakumar & Shri.Prasad K.Panicker and three nos. nominated by PIL viz. Shri.S.P.Gathoo (Chairman), Shri.S.K.Agrawal & Shri.P.M.Thomas.

Consequent to superannuation from the services of the company, Shri. D. Bhaskaran, Managing Director of the Company ceased to be a director w.e.f 1-6-14 and Shri. N. Vijayagopal was appointed as Managing Director w.e.f 1-6-14. Shri. S.K. Agrawal and Shri. K. Sivakumar were inducted into the Board w.e.f 15-7-14.

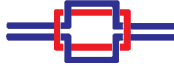
As per Sec. 152 of the Companies Act, 2013, Shri. S.P.Gathoo and Shri S.K. Agrawal will retire by rotation at the forthcoming Annual General Meeting and they are eligible for re-election.

In line with Section 203 of the Companies Act, 2013, Shri.N.Vijayagopal, Managing Director, Smt.S.Rajeswari, VP(F) and Shri.S.Ramesh, Company Secretary were termed as Key Managerial Personnel.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(3)( c ) of the Companies Act 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i) that in the preparation of the annual accounts for the financial year ended 31st March 2015, the applicable accounting standards have been followed and there are no material departures;



- ii) that the Directors had 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 of the Company for that period;
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the accounts for the financial year ended 31st March 2015 on a “going concern” basis;
- (v) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### Independent Directors/Woman Director

PCCKL is a joint venture promoted by Bharat Petroleum Corporation Limited (BPCL) and Petronet India Limited (PIL) and the Board consists of six Directors, three nominated by BPCL and three nominated by PIL, in line with the provision in the Articles of Association of the Company.

Subsequent changes in the Policy of Central Govt. with regard to pipeline transportation of petroleum products have rendered operations of PIL unviable. Accordingly, PIL approached the Ministry and obtained approval to dismantle PIL and to effect its winding up. The Ministry has directed PIL to sell the shares it holds in various joint ventures, including in PCCKL. PIL has offered the shares it holds in PCCKL to BPCL which is under its consideration. Meantime, another financial investor in PCCKL, M/s.IDFC expressed its interest to transfer its 19.97% stake in PCCKL to BPCL.

In the case of a Govt. Company, the Independent Directors are nominated by Govt. Since the impending share transfer proposals as referred above would change the status of the Company as a Govt. Company, the PCCKL Board decided to wait a little longer for appointing external Independent Directors / Woman Director.

In anticipation of the above material change in the status of the Company, the Company could not appoint Independent Directors / Woman Director in 2014-15. However, as anticipated IDFC transferred its 19.97% stake in PCCKL to BPCL consequent to which BPCL's share in PCCKL became 68.97% w.e.f.29.5.15. Accordingly, PCCKL has become a subsidiary of BPCL and a Govt. Company w.e.f.29.5.15. The status change of the Company has already been informed to the Govt. and after getting their response steps would be initiated to obtain nominations from the Government to appoint Independent Directors. After inducting required Independent Directors/Woman Director in the Board, the Committees of the Board, based on nominations from Board would also be re-constituted in line with the provisions of the Companies Act, 2013. The Company is in the process of inducting a woman director also on the Board soon.



## COMMITTEES OF THE BOARD

Currently, the Board has four Committees viz. Audit Committee, Nomination and Remuneration Committee , Corporate Social Responsibility Committee & Share Transfer Committee.

The composition of the Committees is as follows:-

Name of Committee	Composition of the Committee
1. Audit Committee	P.M.Thomas S.P.Gathoo K.Sivakumar N.Vijayagopal
2. Nomination and Remuneration Committee	P.M.Thomas S.P.Gathoo K.Sivakumar N.Vijayagopal
3. Corporate Social Responsibility Committee	P.M.Thomas Prasad K Panicker N.Vijayagopal
4. Share Transfer Committee of the Board	S.K.Agrawal N.Vijayagopal

## MEETINGS OF THE BOARD / COMMITTEES – 2014-15

During the year ;

- i) four Board Meetings were held - on 22.5.14, 15.9.14, 20.11.14 & 4.2.15.
- ii) four Audit Committee Meetings were held - on 22.5.14, 15.9.14, 20.11.14 & 4.2.15.
- iii) two Nomination and Remuneration Committee Meetings were held – on 22.5.14 & 15.9.14

## ANNUAL GENERAL MEETING

16<sup>th</sup> Annual General Meeting of the Company was held on 15.9.2014.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

In line with the provisions of Companies (Corporate Social Responsibility Policy) Rules, 2014, an annual report on CSR activities of the company in 2014-15 is shown below:

⇒ The Company has a CSR Committee of Directors comprising of Shri.P.M.Thomas, Shri.Prasad K Panicker and Shri.N.Vijayagopal.



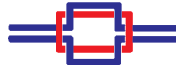
- ⇒ The CSR Committee has formulated and recommended to the Board a Corporate Social Responsibility Policy (CSR Policy), indicating the activities to be undertaken by the Company, which has been approved by the Board.
- ⇒ The objective of CSR initiative by PCCKL is to impact the lives of the disadvantaged people residing near terminals and pipeline route by supporting and engaging them in activities that improve their well-being. PCCKL is also dedicated to support initiative for protection of environment and ecological balance.
- ⇒ The CSR Policy may be accessed on the Company's website at the link [www.petronetcck.com](http://www.petronetcck.com)
- ⇒ Average net profit of the Company for the last three financial years for the purpose of computation of CSR is Rs.1445 lakhs and the prescribed CSR expenditure (2% of the average net profits) is Rs.28.90 lakhs

Details of CSR spent during the financial year :

- a. Total amount to be spent during the financial year : Rs.28.90 Lakhs
- b. Amount unspent : Rs.26.39 lakhs
- c. Manner in which the amount spent during the financial year ; see annexure-1

#### ANNEXURE -1

1	2	3	4	5	6	7	8
Sl.No	CSR project or activity identified	Sector in which the project is covered	Projects or programmes  1. Local area or Other  2.Specify the state and Dist. where project or programme undertaken	Amount out-lay (Budget)  Project or programmes wise  (Rs.)	Amount Spent on the projects or programmes  Sub-heads  1. Direct expenditure on project or Programmes  2. Overheads  (Rs.)	Cumulative expenditure up to the reporting period  (Rs.)	Amount spent  Direct or through implementing agency
1	Promotion of education	Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement project	Tamil Nadu, Karur Dist.	3,76,000	2,50,920	2,50,920	Direct



- ⇒ Being the first year statutorily required to set apart funds for CSR, the Company is in the process of identifying CSR projects or programmes or activities to benefit people residing in the Districts where PCCKL pipeline is passing through, which is one of the focused guidelines for selection of the projects. The Company intends to spend the balance in 2015-16, for which provision has been made in 2014-15 Accounts.
- ⇒ The implementation and monitoring of CSR policy are in compliance with CSR objectives and policy of the Company.

## **RISK MANAGEMENT**

The Company is in the process of identifying the elements of risks in the business so that appropriate remedial action to address the most likely threats can be planned in advance. After identifying the risk factors, a risk management policy would be framed.

## **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements. During the year such controls were tested and no reportable material weaknesses in the design or operation were observed.

## **ACCEPTANCE OF DEPOSITS**

The Company has not accepted/renewed any deposits during the year under consideration.

## **LOANS, GUARANTEES OR INVESTMENTS**

The Company has not given any loan, made investment or provided guarantee during the financial year.

## **TRANSACTIONS WITH RELATED PARTIES**

There are no transactions that attract related party disclosures as required under Section 88 of the Companies Act/information pursuant to 134(3)(h) of Companies Act, 2013, read with Rule 8(2) of the Companies (Accounts) Rules 2014.

## **PARTICULARS OF EMPLOYEES**

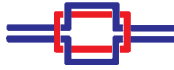
There are no employees, in respect of whom information is required pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

## **VIGIL MECHANISM**

Though Vigil Mechanism is not mandatory to the Company as per the Provisions of the Companies Act, 2013, being a joint venture of BPCL, Vigilance Administration has been set up in the Company and the CVO of BPCL is acting as the CVO of PCCKL.

## **FORMAL ANNUAL EVALUATION (AS PER SECTION 134(3)(p))**

The Board/ Committee of Directors of PCCKL comprise of senior executives of BPCL, a navaratna company. The performance of the Board/Committee was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board process, information and functioning etc.



## **STATUTORY AUDITORS**

Pursuant to Section 139 (5) of the Companies Act, 2013, the Statutory Auditors are appointed by the Comptroller & Auditor General of India (C&AG). Accordingly, C&AG appointed M/s.Menon & Ayyar, Cochin as the Statutory Auditors of the Company for the Financial Year 2014-15. C&AG has intimated that the same firm would continue as the Statutory Auditors for 2015-16 also.

The notes on financial statement referred to in the Auditors Report are self-explanatory and do not call for any further comments. The Auditors Report does not contain any qualification, reservation or adverse remark.

## **COST AUDITORS**

M/s. BBS & Associates, Cost Accountants, Cochin were appointed as Cost Auditors of the Company for the financial year 2014-15. In the Board Meeting held on 31.07.2015, M/s. BBS & Associates have been reappointed as the Cost Auditors of the company for the financial year 2015-16. Their remuneration approved by the Board, is recommended for ratification by the members at the ensuing Annual General Meeting.

## **SECRETARIAL AUDITORS**

Pursuant to Section 204 of the Companies Act, 2013, the Secretarial Audit for the financial year 2014-15 as been conducted by M/s. BVR & Associates (Associate firm of M/s.Directus), Cochin. Pursuant to Section 204(1) of the Act and read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report for the Financial Year ended 31st March, 2015 is annexed herewith marked as Annexure-2. The Secretarial Audit Report does not contain any qualification/reservation or adverse mark.

## **INTERNAL AUDITORS**

Pursuant to Section 138 of the Companies Act, 2013, M/s.Johney & Co., Chartered Accountants, Cochin were appointed as the Internal Auditors of the Company for the Financial Year 2015-16.

## **APPLICABILITY OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) , ACT 2013.**

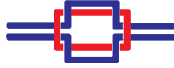
In line with the applicability of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal), Act 2013, the Board framed a policy for PCCCKL and appointed an Internal Complaints Committee consisting of four Officers from the Company and one woman representative from NGO, to consider and redress the grievances of sexual harassment at workplace. There were no complaints received from any employee during the financial year 2014-15.

## **AWARDS AND RECOGNITIONS**

PCCCKL received during the year the following awards/recognitions

- Outstanding Performance in Industrial Safety Award from Department of Factories and Boilers, Kerala, under the category of less than 100 workers employed.
- Safety Award for Outstanding Performance in Industrial Safety by National Safety Council (Kerala Chapter), under the category of less than 20 employees.





## **ORDERS PASSED BY THE REGULATORS**

The Company has not received any orders or notices from any Regulatory Authorities on the status and operations of the Company.

## **EXTRACT OF ANNUAL RETURN**

Pursuant to Section 134(3)(a) of the Companies Act, 2013, extract of the Annual Return of the Company in form MGT-9 is annexed here with marked as Annexure-3.

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Particulars of Energy Conservation, Technology absorption and Foreign Exchange Earnings and Outgo required under Companies (Accounts) Rules 2014 :

#### **Energy Conservation**

1. The Company continues to receive incentive from KSEB for maintaining average Power Factor (PF) above 0.90. The company received Rs.10.70 lakhs as incentive from KSEB during the year 2014-15.

#### **Technology Up gradation**

1. Replaced battery charger and storage battery at SV-10 with new technology SMPS based energy efficient charger.
2. Implemented online web based Payroll & HRMS

#### **Foreign Exchange Earnings & Outgo : Nil**

**For and on behalf of the Board of Directors**

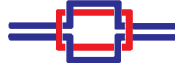
**S.P.Gathoo**

(DIN: 05102526)

**Chairman**

Mumbai  
31-7-15





## SECRETARIAL AUDIT REPORT

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

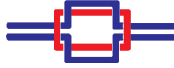
To  
**The Members,**  
**Petronet CCK Limited**  
**c/o BPCL, New oil Installation,**  
**Irimpanam, Ernakulam – 682309.**

We, BVR & Associates, Company Secretaries have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Petronet CCK Limited [CIN:U60300KL1998PLC012336](hereinafter called 'the Company'). 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.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Petronet CCK Limited for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:



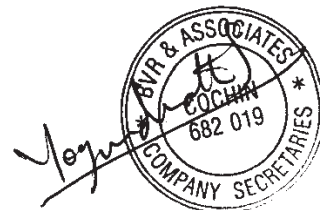


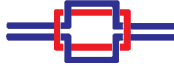
1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. Secretarial Standards issued by the Institute of Company Secretaries of India, to the extent applicable (The Secretarial Standards on Board Meetings and General Meetings though notified on 1st July 2015, is not covered for the period under review)

As informed to us the following other Laws applicable to the Company are as under:

1. The Petroleum Act, 1934
2. Petroleum and Minerals Pipelines (Acquisition of Right of User Inland) Act, 1962
3. Explosives Act, 1884
4. Kerala Industrial Establishments (National & Festival Holidays Act) 1958
5. The Factories Act, 1948
6. The Employees Provident Fund and Miscellaneous Provisions Act, 1952
7. The Employees State Insurance Act, 1948
8. The Contract Labour (Regulation & Abolition) Act, 1970
9. The Minimum Wages Act, 1948
10. The Payment of Wages Act, 1936
11. The Child Labour (Prohibition & Regulation) Act, 1986
12. The Payment of Gratuity Act, 1972
13. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
14. The Maternity Benefit Act, 1961
15. The Kerala Panchayath Raj Act and Kerala Municipalities Act
16. The Public Liability Insurance Act, 1961
17. The Water (Prevention and Control of Pollution) Act, 1974
18. The Electricity Act, 2003
19. The Petroleum and Natural Gas Regulatory Board Act, 2006
20. The Environment Protection Act, 1986
21. The Energy Conservation Act, 2001
22. Other Acts.

We report that during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines mentioned above. The status of the Company during the year has been that of Unlisted Public Company. The company has not been a holding or subsidiary company of another.





We further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

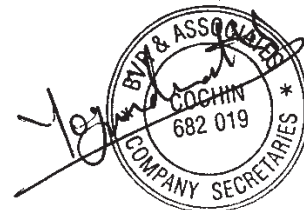
We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The company has not appointed Independent Directors as the company is soon to be converted to a Government Company and moreover the company has the transitional period of one year from 1<sup>st</sup> April 2014. Similarly, the company has not appointed Woman Director; here to it as the transitional period of one year as mentioned above. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

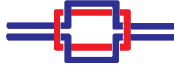
Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed proposal on agenda were sent in advance duly complying with the time limits specified and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meeting duly recorded and signed by the chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

During the year, the company has not advanced any loans, given guarantees and provided securities to Directors, and or persons or firms or companies in which directors are interested. The company has also not borrowed from its Directors, members, bank(s) or financial institution(s). The company has satisfied charge on assets during the year and it has no Charge pending. The company has declared a dividend of 5% and paid to its shareholders during the period under scrutiny.

We further report that, there is litigation going on between the company and the landowners with respect to laying of pipelines. The Company had paid compensation to landowners for acquiring Right of Way for laying pipeline as determined by the Competent Authority. Claims for higher compensation were filed by landowners in





various District Courts of Kerala, right from year 2000 onwards, when the Right of Usage was acquired for laying the pipeline.

As on 31.03.2015, there are a total of 726 cases filed, of which 357 cases has been either decided, settled or dismissed and balance 369 are pending.

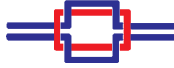
We further report that there are adequate systems and processes in the company commensurate with the size and operation of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

CS Yogindunath S  
BVR & Associates, Company Secretaries  
FCS: F7865  
CP: 9137

Place: Kochi  
Date: 10/07/2015

**YOGINDUNATH S**  
Partner  
BVR & Associates, Company Secretaries  
"Swastika", 31/1444, Lal Salam Road  
Off. Convent Road, Ponnuruni  
Vytila P.O., Cochin - 682 019  
C P No: 9137



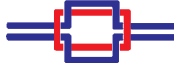
**'Annexure A'**

**To**  
**The Members,**  
**Petronet CCK Limited**  
**c/o BPCL, New oil Installation,**  
**Irimpanam, Ernakulam – 682309.**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.
3. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
6. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

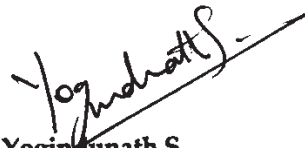




7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Cochin  
Date: 10/07/2015

For BVR & Associates

  
CS Yogindunath S  
Partner  
FCS No. F7865  
C P No. 9137

**YOGINDUNATH S**  
Partner  
BVR & Associates, Company Secretaries  
"Swastika", 31/1444, Lal Salam Road  
Off. Convent Road, Ponnuranni  
Vyttila P.O., Cochin - 682 019  
C P No: 9137



Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2015

(Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014)

## I. REGISTRATION AND OTHER DETAILS

- I. CIN : U60300KL1998PLC012336
- II. Registration date : 18.06.1998
- III. Name of the Company : Petronet CCK Limited
- IV. Category/Sub-Category of the Company: Public Company/Limited by shares
- V. Address of the Registered office and contact details : Irimpanam Installation of BPCL  
Irimpanam, Cochin - 682309
- VI. Whether listed company : No
- VII. Name, address and contact details of Registrar and Transfer Agent, if any : Not Applicable

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

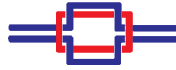
All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl.No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Transportation of petroleum products through underground pipeline	493	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:- NA

## IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

- i. Category-wise Share Holding – As per annexure-A



- ii. Shareholding of Promoters – As per annexure-B
- iii. Change in Promoters Share Holding – NIL – There is no change in the Promoters' Shareholding between 1.4.2015 to 31.3.2015
- iv. Shareholding pattern of 10 Shareholders other than Directors, Promoters and Holders of GDRs and ADRs – As per annexure-C
- v. Shareholding of Directors and Key Managerial Personnel – As per annexure-D

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment - NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

- A. Remuneration to Managing Director/Whole-time Directors and/ Or Manager – As per annexure-E
- B. Remuneration to Other Directors – As per annexure-F
- C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD – As per annexure-G

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES – NIL





## IV. SHAREHOLDING PATTERN (Equity Capital Breakup as percentage of Total Equity)

## i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e.01.04.2014			No. of Shares held at the end of the year i.e.31.03.2015			% Change during the year
	Demat	Physical	% of total Shares	Demat	Physical	% of Total Shares	
<b>A</b>							
Promoters							
Bodies Corporate		75000070	75		75000070	75	0
<b>Total Shareholding of Promoters</b>		75000070	75		75000070	75	0
<b>B</b>							
Public Shareholding							
<b>1. Institutions</b>							
Financial Institutions/ Bank		24999918	25		24999918	25	0
<b>Total Public Shareholding</b>		24999918	25		24999918	25	0
<b>C</b>							
Non-institutions							
Individual Shareholders		12	12		12	12	0
<b>Sub-Total</b>		12	12		12	12	0
<b>Grand Total A+B+C</b>		100000000	100		100000000	100	0

## ANNEXURE - B

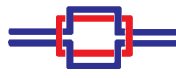
## ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2014				Shareholding at the end of the year 31.03.2015				% change in shareholding during the year	
		No. of Shares	% of Shares of the company	% of total pledged/encumbered to total shares	% of Shares pledged/encumbered to total shares	No. of Shares	% of Shares of the company	% of total pledged/encumbered to total shares	% of Shares pledged/encumbered to total shares		
1.	Bharat Petroleum Corporation Ltd.	49000000	49.00	-	49.00	49000000	49.00	-	49.00	-	0
2.	Petronet India Ltd.	26000070	26.00	-	26.00	26000070	26.00	-	26.00	-	0
	<b>Total</b>	75000070	75.00	-	75.00	75000070	75.00	-	75.00	-	0

## ANNEXURE-C

## iii. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs &amp; ADRs):

Sl. No.	Top 10 Shareholders*	Shareholding at the beginning of the year 01.04.2014		Shareholding at the beginning of the year 31.3.2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	BPCL	49000000	49.00	49000000	49.00
2	PIL	26000070	26.00	26000070	26.00
3	IDFC	19973332	19.97	19973332	19.97
4	SBI	49866666	4.99	49866666	4.99
5	IL&FS	39920	0.04	39920	0.04



## ANNEXURE-D

## iv. Shareholding of Directors and Key Managerial personnel :

Sl. No.	Folio/Beneficiary Account No.	Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year		Shareholding during the year		% of total shares of the company
					No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	25	D.Bhaskaran jointly with PIL	1.4.2014	At the beginning of the year	10	-	0	-	-
1	25	N.Vijayagopal jointly with PIL (KMP)	24.6.2014	10 shares acquired on 24.6.2014	0	-	10	-	-
2	29	S.K.Agrawal	4.3.2015	1 share acquired on 4.3.15	0	-	1	-	-
Key Managerial Personnel					NIL				
Total					10	-	11	-	-

## v. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl.No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount(Rs. In lakhs)
1	Gross salary	*D.Bhaskaran (up to 31.5.14)	*N.Vijayagopal (w.e.f.01.06.14)
a	Salary as per Provisions contained in Section 17(1) of the Income Tax Act 1961	9.12	32.45
b	Value of perquisites u/s Section 17(2) of the Income Tax Act 1961	1.20	0.58
c	Profits in lieu of salary u/s Section 17(3) of the Income Tax Act 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission – as % of profit	-	-
5	Others	-	-
	Total	10.32	33.03
	Ceiling as per the Act (@10% of profits calculated u/s 198 of the Companies Act, 2013)	-	43.35
			652.20

\* Shri.D.Bhaskaran, MD retired from the services of the company w.e.f.31.5.2014 and Shri.N.Vijayagopal was appointed as MD w.e.f.01.06.2014.

## B. Remuneration to other Directors: (Refer Corporate Governance Report for details)

Sl. No.	Particulars of Remuneration	Fee for attending Board /Committee Meetings	Commission	Others, please specify	Total Amount (Rs. In lakhs)
1.	Independent Directors	-	-	-	-
	Total (1)				
2.	Other Non-Executive Directors				
	P.M.Thomas	0.66	-	-	0.66
	Total (2)	0.66	-	-	0.66
	Total (B) = (1+2)	0.66	-	-	0.66
	Ceiling as per the Act @1% of profits calculated under Section 198 of the Companies Act, 2013)				65.22



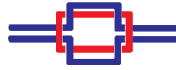


**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		S.Rajeswari (CFO)	S.Ramesh
1.	Gross Salary (Rs. In lakhs)		
a	Salary as per Provisions contained in Section 17(1) of the Income Tax Act 1961	26.79	16.36
b	Value of perquisites u/s Section 17(2) of the Income Tax Act 1961	0.90	1.60
c	Profits in lieu of salary u/s Section 17(3) of the Income Tax Act 1961		
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission -as % of profit	-	-
	Others, Allowances	-	-
	<b>Total</b>	<b>27.69</b>	<b>17.96</b>
			<b>46.55</b>

**vi. PENALTIES / PUNISHMENT /COMPONDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2015.



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE  
FINANCIAL STATEMENTS OF PETRONET CCK LIMITED FOR THE YEAR  
ENDED 31 MARCH 2015**

The preparation of financial statements of Petronet CCK Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30.04.2015.

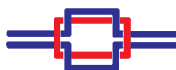
I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of Petronet CCK Limited for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

**(G. SUDHARMINI)  
Principal Director of Commercial Audit &  
Ex Officio Member Audit Board**

Place: Chennai

Date: 14 .07.2015



## Independent Auditors' Report

**To:**  
**The Members of**  
**Petronet CCK Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Petronet CCK Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the 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**

The Company's Board of Directors is responsible for the preparation of these financial statements in terms of the requirements of the Companies Act, 2013 ("the Act"), 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities ; the selection and application of appropriate accounting policies ; making judgments and estimates that are reasonable and prudent ; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the financial statements by the Directors of the Company as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these 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 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 a true and fair view in order to design



audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting in place and operating effectiveness of the such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

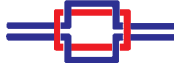
We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## **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, of the state of affairs of the Company as at 31st March, 2015 and their profit and their cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As per sub-section 5 of section 143 of the Companies Act, 2013, we give in the Annexure a report on the directions issued by the Comptroller and Auditor General of India and its impact on the accounts and financial statement of the Company.
3. 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 ;
  - b. In our opinion, proper books of account as required by law have been kept 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 relevant books of account ;
  - d. In our opinion, the aforesaid financial statements comply with the **A c c o u n t i n g** Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ;
  - e. On the basis of written representations received from the directors of the Company as on 31st March 2015, taken on record by the Board of Directors, none of the directors of the Company is disqualified as on 31st March 2015, from being appointed as a director in terms of Section 164 (2) of the Act ;



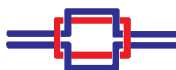
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The financial statements disclose the impact of pending litigations on the financial position of the Company – Refer Note No. 17(i) to the financial statements.
  - ii) The Company does not have any long term contracts requiring provision for material foreseeable losses.
  - iii) The Company does not have any amounts required to be transferred to the Investor Education and Protection Fund.

For MENON & AYYAR  
Chartered Accountants  
Firm Registration No. 002058S

Ernakulam  
30.04.2015

Sd/-  
Raveendran .A  
Partner  
Membership No. 019893





## Annexure To Independent Auditors' Report

Referred to in paragraph 1 under the heading of "Report on other legal and Regulatory Requirements" of our report of even date on the accounts of **Petronet CCK Limited** for the year ended 31<sup>st</sup> March, 2015.

- (i) (a) The Company has maintained fixed assets register showing particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the Management during the year and there is a regular programme of physical verification, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed on such verification.
- (ii) (a) Physical verification of inventory of stores and chemicals has been conducted at the close of the year by the management,
- (b) The procedures of physical verification of inventory 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 has maintained proper records of inventory. No material discrepancies were noticed on such physical verification during the year by the management.
- (iii) (a) 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. Accordingly clause (iii) (a) and (b) of paragraph 3 of the Order are not applicable.
- (b) The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly clause (iii) (f) and (g) of paragraph 3 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) According to the information and explanations given to us, the company has not accepted deposits from the public and hence the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act 2013, and the rules framed there under are not applicable and therefore the provisions of clause (v) of the order are not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act and are of the opinion that prima facie the prescribed



cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

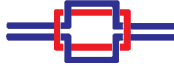
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs duty, Excise duty, value Added Tax, Cess and other material statutory dues as applicable with the appropriate authorities. There are no arrears of undisputed statutory dues outstanding, at the last day of the financial year, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute and the forum where the dispute is pending as on 31st March,2015 are detailed below:

<b>S I. No.</b>	<b>Name of statute</b>	<b>Nature of dues</b>	<b>Amount Involved (Rs.)</b>	<b>Period to which the amount relates</b>	<b>Forum where the dispute is pending</b>
1	Kerala General Sales Tax Act, 1963	Works Contract Tax deducted (from a contractor)	5,36,783/-	2001-2002	High Court of Kerala (disputed by the contractor)
2	Finance Act 1994 (amended from time to time)	Service Tax on Sponsorship	3,090/-	2008-2009	Appeal filed before the Commissioner of Central Excise, Customs & Service Tax (Appeals)
3	Finance Act 1994 (amended from time to time)	Service Tax on Sponsorship (Penalty)	3,090/-	2008-2009	Appeal filed before the Commissioner of Central Excise, Customs & Service Tax (Appeals)

- c) According to the information and explanations given to us, there are no amounts required to be transferred to Investor education and protection fund in accordance with the relevant provisions of the Companies Act, (1 of 1956) and the rules made thereunder.

viii) The company has no accumulated losses as on 31.03.2015 and it has not incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.

(ix) In our opinion and according to the information and explanation given to us, the company has



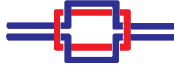
not defaulted in the repayment of dues to any financial institution, bank or debenture holders as at the balance sheet date.

- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from the banks or financial institutions.
- (xi) According to the information and explanations given to us, the Company has not availed any Term Loan during the year other than Short Term Loans raised to meet working capital requirements.
- (xii) In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year under audit.

For MENON & AYYAR  
Chartered Accountants  
Firm Registration No. 002058S

Ernakulam  
30.04.2015

Sd/-  
Raveendran A  
Partner  
Membership No. 019893



**Report on directions issued by the Comptroller and Auditor General of India under Section 143(5) of The Companies Act, 2013.**

Referred to in paragraph 2 under the heading of “Report on other legal and Regulatory Requirements” of our report of even date on the accounts of **Petronet CCK Limited** for the year ended 31<sup>st</sup> March, 2015.

1. If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process.”

**The Company has not been selected for disinvestment.**

2. Please report whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons therefore and the amount involved.

**There are no cases of waiver/write off of debts/loans/interest during the year.**

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.

**The Company has informed us that there are no inventories lying with third parties and no assets were received as gifts from Government or other authorities.**

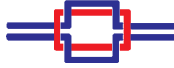
4. A report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existence/effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.

**A report prepared by the Company on pending legal/arbitration cases including the reasons of pendency is enclosed in ANNEXURE. We understand that there exists an effective monitoring mechanism for control of expenditure on all legal cases.**

For MENON & AYYAR  
Chartered Accountants  
Firm Registration No. 002058S

Sd/-  
Raveendran A  
Partner  
Membership No. 019893

Ernakulam  
30.04.2015



**Annexure to Report on directions issued by the Comptroller and Auditor General of India under Section 143(5) of The Companies Act, 2013.**

Report on legal cases pending as on 31.03.2015

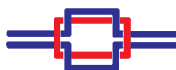
The Company had paid compensation to landowners for acquiring Right of way for laying pipeline as determined by the Competent Authority. Claims for higher compensation were filed by landowners in various District Courts of Kerala, right from 2000 onwards, when the ROU was acquired for laying the pipeline.

The balance cases, pending with various Dist. Courts of Kerala as on 31.03.2015 are as follows:

Dist. Court	Total Number of cases filed	Claims decided / settled / dismissed	Balance number of cases
Thrissur	458	133	325 *
Palakkad	140	134	6
Ernakulam	51	49	2
Paravoor	77	41	36
Total	726	357	369

\* The pending cases at Thrissur Dist. Court, which are in large numbers are being heard in a speedy manner.

Against the order of the Dist. Courts, the company had filed appeals at Hon. High Court in respect of a few cases and the final orders in respect of three main cases are still pending.



**Balance Sheet as at 31st March, 2015**

₹ in Lakhs

Particulars	Note No.	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	10,000.00	10,000.00
(b) Reserves and Surplus	3	4,321.47	627.40
<b>(2) Non-Current Liabilities</b>			
(a) Deferred Tax Liabilities (Net)	4	349.33	796.72
(b) Other Long Term Liabilities	5	28.35	28.84
(c) Long-Term Provisions	6	62.51	48.58
<b>(3) Current Liabilities</b>			
(a) Other Current Liabilities	7	297.60	187.24
(b) Short-Term Provisions	8	607.60	590.40
<b>TOTAL</b>		<b>15,666.86</b>	<b>12,279.18</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	9	4,659.04	6,548.45
(ii) Intangible Assets	10	1,517.42	1,526.02
(iii) Capital work-in-progress		37.82	4.38
(b) Long-Term Loans and Advances	11	177.91	136.51
<b>(2) Current Assets</b>			
(a) Inventories	12	70.95	66.18
(b) Trade Receivables	13	1,100.93	979.81
(c) Cash and Cash Equivalents	14	7,153.79	858.11
(d) Short-Term Loans and Advances	15	664.01	2,151.52
(e) Other Current Assets	16	284.99	8.20
<b>TOTAL</b>		<b>15,666.86</b>	<b>12,279.18</b>

**Notes to accounts and significant Accounting Policies: Note No: 1**

**For and on behalf of the Board of Directors**

This is the Balance Sheet referred to  
in our report of even date

Sd/-  
**S. P. Gathoo**  
(DIN: 05102526)  
Chairman

Sd/-  
**N Vijayagopal**  
(DIN: 03621835)  
Managing Director

**For Menon and Ayyar**  
Chartered Accountants  
Firm Regn. No. 002058S

Sd/-  
**S. Ramesh**  
Company Secretary

Sd/-  
**S. Rajeswari**  
Chief Financial Officer

Sd/-  
**Raveendran A**  
Partner  
MM No. 019893

Mumbai  
Date: 30.04.2015

Kochi  
Date: 30.04.2015

Kochi  
Date: 30.04.2015



## Statement of Profit and Loss for the period ended 31<sup>st</sup> March, 2015

₹ in Lakhs

Particulars	Note No.	For the year ended 31 <sup>st</sup> March 2015	For the year ended 31 <sup>st</sup> March 2014
I. Revenue from Operations	18	9827.19	9290.52
II. Other Income	19	422.65	31.58
III. <b>Total Revenue (I + II)</b>		<b>10249.84</b>	9322.10
IV. <b>Expenses:</b>			
Employee Benefit Expenses	20	497.28	458.58
Finance Costs	21	-	206.05
Depreciation and Amortisation Expense	9/10	1994.34	2822.64
Other Expenses	22	1235.52	1178.89
<b>Total Expenses</b>		<b>3727.14</b>	4666.16
V. <b>Profit before tax and prior period items (III - IV)</b>		<b>6522.70</b>	4655.94
VI. Prior period items - Amortisation/Depreciation	24	-	196.68
VII. Profit/(Loss) before Tax (V - VI)		<b>6522.70</b>	4459.26
VIII. Tax Expense:			
Current tax		2673.65	934.68
Deferred Tax		(447.39)	796.72
MAT Credit entitlement		-	(1725.66)
<b>Total Tax Expense</b>		<b>2226.26</b>	5.74
IX. <b>Profit/ (Loss) for the Period (VII -VIII)</b>		<b>4296.44</b>	4453.52
X. Earnings Per Equity Share having a face value of ₹10	28		
(1) Basic		4.30	4.45
(2) Diluted		4.30	4.45

### Notes to accounts and significant Accounting Policies: Note No: 1

**For and on behalf of the Board of Directors**

This is the Statement of Profit and Loss referred to in our report of even date

Sd/-  
**S. P. Gathoo**  
(DIN: 05102526)  
Chairman

Sd/-  
**N Vijayagopal**  
(DIN: 03621835)  
Managing Director

**For Menon and Ayyar**  
Chartered Accountants  
Firm Regn. No. 002058S

Sd/-  
**S. Ramesh**  
Company Secretary

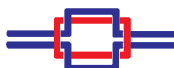
Sd/-  
**S. Rajeswari**  
Chief Financial Officer

Sd/-  
**Raveendran A**  
Partner  
MM No. 019893

Mumbai  
Date: 30.04.2015

Kochi  
Date: 30.04.2015

Kochi  
Date: 30.04.2015



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2015**

	2014-15	2013-14
	₹ Lakhs	₹ Lakhs
<b>A CASHFLOW FROM OPERATING ACTIVITIES</b>		
Net profit/(loss) before tax	6522.70	4459.26
Adjustments for:		
Depreciation and amortisation	1994.34	2822.64
Prior period depreciation and amortisation	-	196.68
Loss /(Profit) on sale/valuation of assets (including stores)	(0.68)	10.32
Interest expenses	-	205.11
Interest income	(382.77)	(20.04)
Other non-cash Items	0.61	-
Interest on income tax refund	(20.71)	-
Operating profit before working capital changes	8113.49	7673.97
Adjustments for:		
(Increase)/decrease in Trade and other receivables	(175.06)	(87.42)
(Increase)/decrease in Inventories	(4.77)	(18.72)
Increase/(decrease) in Trade payables	123.61	(44.85)
<b>Cash generated from operations</b>	<b>8057.27</b>	<b>7522.98</b>
Direct taxes (paid)/ refund received	(1160.83)	(1038.36)
<b>Net cash (used in) / generated from operating activities (A)</b>	<b>6896.44</b>	<b>6484.65</b>
<b>B CASHFLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed assets	(129.84)	(167.21)
Proceeds from sale of fixed assets	0.75	1.53
<b>Net cash (used in) / generated from investing activities (B)</b>	<b>(129.09)</b>	<b>(165.68)</b>
<b>C CASHFLOW FROM FINANCING ACTIVITIES</b>		
Interest expense	-	(234.47)
Interest income	113.31	12.59
Short term borrowings		
(Repayment)/ borrowings from Bharat Petroleum Corporation Ltd	-	(5206.00)
Dividend paid	(500.00)	-
<b>Corporate dividend tax</b>	<b>(84.98)</b>	-
<b>Repayment of long term borrowings</b>	-	-
<b>Net cash (used in) / generated from financing activities ( C)</b>	<b>(471.67)</b>	<b>(5427.88)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>6295.68</b>	<b>891.09</b>
<b>Cash and Cash equivalents as at 31<sup>st</sup> March</b>	<b>2014</b>	<b>2013</b>
Cash on hand	0.77	1.17
Bank balances with scheduled banks	857.34	(22.94)
	<b>858.11</b>	<b>(21.77)</b>
<b>Cash and Cash equivalents as at 31<sup>st</sup> March</b>	<b>2015</b>	<b>2014</b>
Cash on hand	0.83	0.77
Bank balances with scheduled banks	7152.96	857.34
	<b>7153.79</b>	<b>858.11</b>
Net change in cash and cash equivalents	<b>6295.68</b>	<b>879.88</b>

**For and on behalf of the Board of Directors**

This is the Cash Flow Statement referred to in our report of even date

Sd/-  
**S. P. Gathoo**  
(DIN: 05102526)  
Chairman

Sd/-  
**N Vijayagopal**  
(DIN: 03621835)  
Managing Director

Sd/-  
**S. Ramesh**  
Company Secretary

Sd/-  
**S. Rajeswari**  
Chief Financial Officer

**For Menon and Ayyar**  
Chartered Accountants  
Firm Regn. No. 002058S

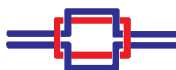
Sd/-  
**Raveendran A**  
Partner  
MM No. 019893

Mumbai  
Date: 30.04.2015

Kochi  
Date: 30.04.2015

Kochi  
Date: 30.04.2015





## Notes to Financial Statements and Significant Accounting Policies

### Company Overview

Petronet CCK limited is a transportation company. It is engaged in transporting petroleum products (Petrol, Diesel and Kerosene) through a dedicated pipeline for Bharat Petroleum Corporation Limited (BPCL). Product deliveries to BPCL are made from terminals provided at Kochi, Irugur and Karur.

### NOTE No: 1

Significant accounting policies:

#### i. Basis of accounting

The financial statements are prepared under historical cost convention on accrual basis of accounting in accordance with the accounting principles generally accepted in India and comply with the accounting standards referred to in section 133 of the Companies Act, 2013. The accounting policies are consistent with those used in previous year except for the policy in respect of depreciation on Fixed Assets referred to in para v.

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognised in the period in which they materialise.

#### ii. Fixed assets

- a. Fixed assets are stated at cost of acquisition less accumulated depreciation.
- b. Capital work in progress is stated at cost.
- c. Machinery spares that can be used only in connection with an item of fixed asset, the use of which is expected to be irregular are capitalised. Replacement of such spares is charged to revenue.

#### iii. Intangible assets

- a. Intangible assets are carried at cost less accumulated amortisation.
- b. Cost of right of way is amortised over a period of 99 years as it is perpetual and absolute in nature.
- c. Expenditure incurred for creating/acquiring other intangible assets of ₹ 2 lakhs and above from which future economic benefits will flow over a period of time, is amortised over the estimated useful life of the asset or five years, whichever is lower from the time the intangible assets starts providing the economic benefit.

#### iv. Impairment of Assets

The values of fixed assets in respect of Cash Generating Units are reviewed by the management for impairment at each Balance Sheet date. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use.

#### v. Depreciation

Depreciation on fixed assets is provided under the straight line method, based on useful lives concept of assets prescribed under Schedule II to the Companies Act, 2013 against the depreciation already provided in previous years based on rates prescribed under Schedule XIV of the Companies Act, 1956.

However, following cases, being governed by HR policy, continue to maintain the same rate of depreciation:

- a. Furniture and fixtures provided at the residence of the employees is depreciated @ 15%.
- b. Computers and peripherals (other than servers and hubs), and mobile phones, are depreciated at the rate of 25%.

Depreciation is charged on addition / deletion on pro- rata monthly basis including the month of addition / deletion.

Fixed assets costing less than ₹ 0.05 lakhs each are depreciated @100 percent in the year of capitalisation.

In respect of fixed assets constructed on leasehold lands (having an extent of 15.81 acres), depreciation rates applied are in conformity with the rates as per Schedule II of the Companies Act, 2013, based on the indications received that the lease agreements with Bharat Petroleum Corporation Ltd (BPCL) are being renewed.



**vi. Inventories**

Stock of stores and spares are valued at cost (computed on first in first out basis). Slow moving or obsolete items identified as surplus are valued at ₹ Nil.

**vii. Revenue recognition**

- a. Revenue from transportation is recognised on the basis of actual quantities transported and received at the receiving terminals.
- b. Interest income is recognised on a time proportion basis, taking in to account the amount outstanding and the applicable interest rates.
- c. Other incomes are recognised on accrual basis except when there are uncertainties.
- d. Income from sale of scrap is accounted on realisation.

**viii. Classification of expenses**

- a. Prepaid expenses up to ₹ 0.10 lakhs in each case, are charged to revenue as and when incurred.
- b. Liabilities for expenses, other than for transportation, rent and property taxes are provided for only if the amount exceeds ₹ 0.10 lakhs in each case.
- c. Income/expenditure up to ₹ 5 lakhs in each case pertaining to prior years is charged to the current year.

**ix. Employee Benefits**

a. Defined Contribution Plans

The company has defined contribution plans for employees comprising of Provident Fund, Superannuation Fund and Employee's State Insurance. The contributions paid/payable to these plans during the period are charged to the Profit and Loss Account for the period.

b. Defined Benefit Plans -Gratuity (Unfunded)

The net present value of the obligation for gratuity benefits as determined on independent actuarial valuation, conducted annually using the projected unit credit method is recognised in the accounts. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss account for the period in which they occur.

c. Compensated absences

The company has a scheme for compensated absences for employees, the liability of which is determined on the basis of an independent actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in full in the Profit and Loss account for the period in which they occur.

**x. Taxes on income**

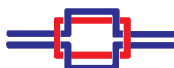
- a. Provision for current tax is made based on the tax payable under the Income Tax Act, 1961.
- b. Deferred tax on account of timing difference between taxable and accounting income is accounted using the tax rates and the tax laws enacted or substantively enacted by the balance sheet date.
- c. Deferred tax assets in respect of unabsorbed depreciation or carried forward losses are recognised if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised to the extent there is reasonable certainty of their realisation.

**xi. Provisions, Contingent Liabilities and Contingent Assets**

- a. Provisions are recognised when the company has a present obligation as a result of a past event for which it is probable that a cash flow will be required and a reliable estimate can be made of the amount of the obligation.
- b. Contingent liabilities are disclosed when the Company has a possible obligation or a present obligation and it is probable that a cash flow will not be required to settle the obligation.

**xii. Cash and cash equivalents.**

Cash and cash equivalents include cash at bank and on hand. The deposits maintain by the company with banks comprise time deposit, which can be withdrawn by the company at any point of time.



Notes attached to and forming part of financial statements

NOTE No: 2

Share Capital	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	Number	₹ lakhs	Number	₹ lakhs
<b>Authorised</b>				
Equity Shares of ₹10/- each	135000000	13,500.00	135000000	13,500.00
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of ₹10/- each	100000000	10,000.00	100000000	10,000.00
		10,000.00		10,000.00

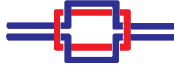
The Company has only one class of shares referred to as equity shares having a par value of ₹10. Each holder of equity shares is entitled to only one vote per share. The shareholders are entitled to any dividends paid by the company in proportion to the number of equity shares held. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company in proportion to the number of equity shares held by the company.

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31<sup>st</sup> 2015, and March 31<sup>st</sup>, 2014 is set out below.

Share Capital	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	Number	₹ lakhs	Number	₹ lakhs
Shares outstanding at the beginning of the period	100000000	10,000.00	100000000	10,000.00
Shares issued during the period	0	-	0	-
Shares bought back during the period	0	-	0	-
Shares outstanding at the end of the period	100000000	10,000.00	100000000	10,000.00

Details of the shareholders holding more than 5% shares

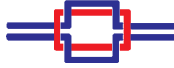
Name of Shareholder	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	No.of shares held	% of holding	No.of shares held	% of holding
Bharat Petroleum Corporation Limited	49000000	49%	49000000	49%
Petronet India Limited	26000070	26%	26000070	26%
Infrastructure Development Finance Corporation	19973322	19.97%	19973322	19.97%



Notes attached to and forming part of financial statements

₹ lakhs

Particulars	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>NOTE No: 3</b>		
<b>Reserves and Surplus</b>		
Surplus i.e. Balance in the Statement of Profit & Loss		
As per last Balance Sheet	627.40	(3,241.14)
Add: Net profit/(loss) for the period as per profit and loss statement	4,296.44	4,453.52
	<b>4,923.84</b>	1,212.38
Less: Appropriations		
Proposed Dividend	500.00	500.00
Tax on proposed dividend	102.37	84.98
<b>Total</b>	<b>4,321.47</b>	627.40
<b>NOTE No: 4</b>		
<b>Deferred Tax Liability</b>		
Deferred tax liability on timing difference between book and tax depreciation.	354.29	825.34
Deferred tax asset on carry forward tax losses and expenses disallowable u/s43B of Income Tax Act, 1961.	(4.96)	(28.62)
<b>Total</b>	<b>349.33</b>	796.72
<b>NOTE No: 5</b>		
<b>Other Long-Term Liabilities</b>		
Provision for expenses	22.98	23.06
Statutory and other dues	5.37	5.78
<b>Total</b>	<b>28.35</b>	28.84
<b>NOTE No: 6</b>		
<b>Long-Term Provisions</b>		
Employee benefits		
Gratuity	47.35	36.98
Leave salary	15.16	11.60
<b>Total</b>	<b>62.51</b>	48.58



Notes attached to and forming part of financial statements

₹ lakhs

Particulars	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>NOTE No: 7</b>		
<b>Other Current Liabilities</b>		
Income receivable /received in advance	-	1.47
Other Payables-		
Provision for expenses	<b>257.66</b>	146.57
Retention and security deposit collected from suppliers/ contractors	<b>26.34</b>	29.84
Statutory and other dues	<b>13.60</b>	9.36
<b>Total</b>	<b>297.60</b>	<b>187.24</b>

**NOTE No: 8**

**Short-Term Provisions**

Employee benefits

Gratuity

**2.98**

3.44

Leave salary

**2.25**

1.98

Other Provisions

Provision for Proposed Dividend

**500.00**

500.00

Provision for Corporate Dividend Tax

**102.37**

84.98

**Total**

**607.60**

**590.40**



**NOTE No: 9**  
**Tangible Assets as on 31<sup>st</sup> March 2015**

(₹ Rs. Lakhs)

Sl. No.	Particulars	Gross Block				Depreciation				NET CARRYING AMOUNT	
		As At 01.04.2014	Additions	Deductions On Account of Retirement / Disposal	As At 31.03.2015	Upto 01.04.2014	For The Period	Deductions On Account of Retirement/ Disposal	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
1	Land	68.90	-	-	68.90	-	-	-	-	68.90	68.90
2	Buildings	2,452.12	1.46	0.62	2,452.96	871.78	450.10	0.62	1,321.26	1,131.70	1,580.34
3	Pipelines	22,984.40	-	12.12	22,972.28	20,803.15	122.85	12.12	20,913.88	2,058.40	2,181.25
4	Plant & Equipment	6,521.33	54.10	590.65	5,984.78	3,915.71	1,326.07	590.65	4,651.13	1,333.65	2,605.62
5	SCADA	717.24	-	78.51	638.73	709.68	3.05	78.51	634.22	4.51	7.56
6	Electrical Equipment	17.12	-	2.03	15.09	9.35	7.31	2.03	14.63	0.46	7.77
7	Computers	65.22	3.96	20.91	48.27	45.08	5.32	20.84	29.56	18.71	20.14
8	Office Equipment	90.10	8.80	16.41	82.49	37.26	40.42	16.41	61.27	21.22	52.84
9	Vehicle	30.65	-	0.30	30.35	27.40	0.75	0.30	27.85	2.50	3.25
10	Furniture & Fixtures	61.51	13.86	6.96	68.41	40.73	15.65	6.96	49.42	18.99	20.78
<b>Total</b>		<b>33,008.59</b>	<b>82.18</b>	<b>728.51</b>	<b>32,362.26</b>	<b>26,460.14</b>	<b>1,971.52</b>	<b>728.44</b>	<b>27,703.22</b>	<b>4,659.04</b>	<b>6,548.45</b>
	Previous Period	32,909.62	152.53	53.56	33,008.59	23,702.17	2,799.68	41.71	26,460.14	6,548.45	9,207.45

Note:

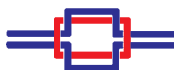
1. Depending upon the nature of assets, previous years figures have been regrouped wherever necessary.
2. Gross Block includes Rs.43.57 lakhs(previous year Rs.632.02 lakhs) towards assets which are not currently in active use during the period, in respect of which additional depreciation of Rs. 18.10 lakhs (previous year Rs.284.41 lakhs) has been provided to recognise the expected loss on disposal.
3. Depreciation for the period includes Rs.1223.67 lakhs, being the carrying amount of assets whose useful lives have already been exhausted as at 01.04.2014 as per Companies Act, 2013.



**NOTE No: 10**  
**Intangible Assets as on 31<sup>st</sup> March 2015**

(₹ Rs. Lakhs)

S. No.	Particulars	Useful life (No. of Years)	Gross Block			Amortisation			Net Carrying Amount			
			As at 01.04.2014	Additions	Deductions On Account Of Retirement/ Disposal	As at 31.03.2015	Upto 01.04.2014	For The Period	Deductions On Account Of Retirement/ Disposal	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
1	Right of Way	99	1,709.41	14.22	-	1,723.63	195.35	17.34	-	212.69	1,510.94	1,514.06
2	Computer Software	4	112.28	-	-	112.28	100.32	5.48	-	105.80	6.48	11.96
	<b>Total</b>		<b>1,821.69</b>	<b>14.22</b>	<b>-</b>	<b>1,835.91</b>	<b>295.67</b>	<b>22.82</b>	<b>-</b>	<b>318.49</b>	<b>1,517.42</b>	<b>1,526.02</b>
	Previous Year		1,811.39	10.30	-	1,821.69	76.03	219.64	-	295.67	1,526.02	1,735.36

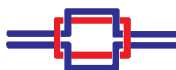


Notes attached to and forming part of financial statements

₹ lakhs

Particulars	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>NOTE No: 11</b>		
<b>Long-Term Loans and Advances</b>		
To staff		
Secured, considered good		
Due from officers	3.75	4.25
Due from employees	33.94	31.20
To others	.	
Unsecured, Considered Good		
* Advances recoverable in cash or in kind or value to be received	1.09	4.79
Security Deposits	99.27	56.41
** Others	39.86	39.86
<b>Total</b>	<b>177.91</b>	<b>136.51</b>
* Includes ₹ 0.86 lakhs (₹ 3.65 lakhs) deposited as per court order in ROU cases for which appeals are pending		
** Disputed entry tax ₹ 39.86 lakhs (Previous year ₹ 39.86 lakhs)		
<b>NOTE No: 12</b>		
<b>Inventories</b>		
Stores and Spares	70.95	66.18
(Valued at cost (FIFO basis))		
<b>Total</b>	<b>70.95</b>	<b>66.18</b>
<b>NOTE No: 13</b>		
<b>Trade Receivables</b>		
Unsecured, Considered Good		
- Outstanding for a period exceeding six months	-	-
- Other debts- Due from Bharat Petroleum Corporation Limited	1,100.93	979.81
<b>Total</b>	<b>1,100.93</b>	<b>979.81</b>
<b>NOTE No: 14</b>		
<b>Cash and Cash Equivalents</b>		
Balance with Banks		
- In current accounts	5.71	4.02
On deposit accounts		
Short term deposits	3,193.00	431.17
<b>Cash on Hand</b>	0.83	0.77
<b>Other bank balances</b>		
Margin money against bank guarantees	-	41.90
Endorsed with Sales Tax Authorities	1.25	1.25
Bank deposits with more than twelve months maturity	3,953.00	379.00
<b>Total</b>	<b>7,153.79</b>	<b>858.11</b>





Notes attached to and forming part of financial statements

₹ lakhs

Particulars	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>NOTE No: 15</b>		
<b>Short-Term Loans and Advances</b>		
<b>Secured, considered good</b>		
Others - Loans to staff		
Due from Officers	0.50	0.50
Due from Employees	6.13	5.50
<b>Unsecured, considered good</b>		
Loan and advances to related party - Due from Petronet India Ltd	0.02	0.20
Loans to employees	1.64	1.65
Advances recoverable in cash or in kind or value to be received	77.10	72.95
Advance income tax ( Net of provision for taxation)	159.22	344.86
MAT Credit entitlement	419.20	1,725.66
Rent advance	0.20	0.20
<b>Total</b>	<b>664.01</b>	<b>2,151.52</b>

**NOTE No: 16**

**Other Current Assets**

Interest income accrued but not due - Bank deposits	277.66	8.20
- Others	7.33	-
<b>Total</b>	<b>284.99</b>	<b>8.20</b>

**NOTE No: 17**

Contingent Liabilities and Commitments (to the extent not provided for)

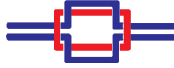
**(i) Contingent Liabilities**

Claims against the company not acknowledged as debts:	31.56	47.35
-------------------------------------------------------	-------	-------

Against the enhanced ROU compensation awarded by the District Courts of Kerala, the Company has preferred appeals in the High Court Of Kerala, which are not finally heard and decided. The amount enhanced by the District Court (as reduced by the amount remitted as per High Court Order at the time of obtaining stay) together with interest are recognised as contingent liability.

**(ii) Commitments**

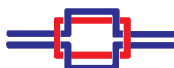
Estimated amount of contracts remaining to be executed on capital account and not provided for	47.00	61.56
------------------------------------------------------------------------------------------------	-------	-------



Notes attached to and forming part of financial statements

₹ lakhs

Particulars	For the period ended 31 <sup>st</sup> March 2015	For the year ended 31 <sup>st</sup> March 2014
<b>NOTE No: 18</b>		
<b>Revenue From Operations</b>		
Sale of Services	11041.83	10,438.83
Less: Service tax	1214.64	1,148.31
<b>Total</b>	<b>9827.19</b>	<b>9,290.52</b>
<b>NOTE No: 19</b>		
Other Income		
Interest Income	394.58	20.04
Interest on income tax refund	20.71	-
Other Non-Operating Income	6.68	11.54
Profit from sale of assets (net)	0.68	-
<b>Total</b>	<b>422.65</b>	<b>31.58</b>
<b>NOTE No: 20</b>		
<b>Employee Benefit Expenses</b>		
Salaries and Wages	405.10	367.64
Contribution to Provident Fund and Other Funds	49.67	48.44
Staff Welfare Expenses	42.51	42.50
<b>Total</b>	<b>497.28</b>	<b>458.58</b>
<b>NOTE No: 21</b>		
<b>Finance Costs</b>		
Interest expense on term loans		
Interest expense on other loans	-	108.81
Interest - others	-	96.30
	-	0.94
<b>Total</b>	<b>-</b>	<b>206.05</b>



₹ lakhs

Particulars	For the period ended 31 <sup>st</sup> March 2015	For the year ended 31 <sup>st</sup> March 2014
<b>NOTE No: 22</b>		
<b>Other Expenses</b>		
Power & Fuel	596.59	600.58
Consumption of chemicals, stores, etc. (indigenous)	37.56	46.35
Repair & Maintenance		
- Pipeline	38.14	73.32
- Machinery	88.97	93.79
- Buildings	25.28	2.34
- Other infrastructure	40.33	33.17
- Others	0.12	0.35
Watch and ward	121.84	101.61
Rent	64.61	39.72
Rates and Taxes	13.21	11.22
Insurance	53.09	53.79
Exchange rate fluctuation	-	7.88
Auditor's remuneration		
(a) audit fees	1.50	1.50
(b) reimbursement of expenses	0.08	0.05
Provision for CSR	28.90	-
Travelling expenses	22.26	22.15
Loss on sale of Fixed Assets (net)	-	10.32
ROU Expenses	19.37	5.11
<b>Miscellaneous Expenses</b>	<b>83.67</b>	<b>75.64</b>
<b>Total</b>	<b>1235.52</b>	<b>1178.89</b>

**NOTE No: 23**

(a) Value of imports calculated on C.I.F basis:

₹ lakhs

Particulars	March 31, 2015	March 31, 2014
i) Components and spare parts	-	-
ii) Capital goods	-	-

(b) Expenditure in foreign currency

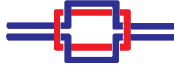
₹ lakhs

Particulars	March 31, 2015	March 31, 2014
Foreign travel	-	-
Technical consultancy fee	-	42.80

(c) Stores and Spares Consumed

₹ lakhs

Particulars	March 31, 2015		March 31, 2014	
	Amount	%	Amount	%
<b>Stores consumed :</b>				
Chemicals (indigenous)	37.01	100%	45.05	100%
Lubricants (indigenous)	0.55	100%	1.30	100%
Selant catridges charged to other revenue accounts	1.87	100%	3.37	100%
<b>Spares consumed :</b>				
Imported	-	-	-	-
Indigenous (Charged to other revenue accounts)	15.90	100%	14.94	100%



## Notes attached to and forming part of financial statements

### Note No : 24

#### Prior Period items

The company had during the year 2013-14 changed its policy of accounting of Right of Way at 99 years. The amortisation impact is as given below.

Prior period Amortisation/ Depreciation	March 31, 2015	March 31, 2014
	₹ Lakhs	₹ Lakhs
Amortisation	-	178.08
Depreciation - Pipelines	-	Nil
Depreciation – Others (net)	-	18.60
Total	-	196.68

### Note No : 25

#### Income tax

The provision for current tax is made based on the tax payable under the Income Tax Act, 1961 after adjusting MAT credit entitlement ₹1306.46 lakhs (previous year ₹ Nil )as per the Act.

### Note No: 26

#### Employee benefits

Disclosures required under Accounting Standard 15 - “Employee Benefits” (Revised 2005)

##### 1. Defined Contribution Plans

During the year the following amounts have been recognised in the Statement of Profit and Loss on account of defined contribution plans.

Particulars	2014-15	2013-14
Employers contribution to Provident Fund *	18.24	15.53
Employers contribution to Superannuation Fund	20.41	19.76
Employers contribution to Employee's State Insurance	-	0.50

\*Excluding EPF of employees on deputation



## 2. Defined Benefit Plans

### Gratuity

₹ Lakhs

	<b>Particulars</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>i</b>	Actuarial Assumptions					
	Discount Rate (per annum)	7.94%	9.31%	8.25%	8.25%	8.25%
	Salary escalation rate*	5.00%	5.00%	5.00%	5.00%	5.00%
	Expected average remaining lives of working employees (years)	18	17	17	18	17

### Compensated absences

₹ Lakhs

	<b>Particulars</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>i</b>	Actuarial Assumptions					
	Discount Rate (per annum)	7.94%	9.31%	8.25%	8.25%	8.25%
	Salary escalation rate*	5.00%	5.00%	5.00%	5.00%	5.00%
	Expected average remaining lives of working employees (years)	18	17	17	18	15

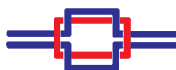
\*The assumption of future salary increases takes into account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

Reconciliation of opening and closing balances of the present value of the defined benefit obligations are given below:

### Gratuity

₹ Lakhs

	<b>Particulars</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>ii</b>	Reconciliation of present value of obligation					
	Present value of obligation at beginning of the year	40.41	34.56	27.43	20.28	17.82
	Current Service Cost	3.31	3.00	2.62	1.95	1.94
	Interest Cost	3.77	3.10	2.63	1.83	1.63
	Actuarial (gain)/loss	3.69	(0.25)	1.88	3.36	(1.10)
	Benefits Paid	(0.85)	-	-	-	-
	Present value of obligation at end of the year (Liability disclosed in the Balance sheet)	50.33	40.41	34.56	27.42	20.29



Compensated absences

₹ Lakhs

	Particulars	2015	2014	2013	2012	2011
ii	Reconciliation of present value of obligation					
	Present value of obligation at beginning of the year	13.57	12.53	7.07	4.89	5.30
	Current Service Cost	2.14	2.18	2.18	1.18	1.15
	Interest Cost	1.26	1.03	0.62	0.40	0.44
	Actuarial (gain)/loss	9.85	8.06	4.32	4.92	4.07
	Benefits Paid	(9.41)	(10.23)	(1.66)	(4.32)	(6.06)
	Present value of obligation at end of the year (Liability disclosed in the Balance sheet)	17.41	13.57	12.53	7.07	4.90

Net cost for the year ended March 31, 2015 and March 31, 2014 comprises of the following components:

Gratuity

₹ Lakhs

	Particulars	Year ended 31.03.2015	Year ended 31.03.2014
iii	Expenses recognised in the Statement of Profit and Loss		
	Current Service Cost	3.31	3.00
	Interest Cost	3.77	3.10
	Actuarial (gain) /loss recognised in the year	3.69	(0.25)
	Total expenses recognised in the Statement of Profit and Loss for the year	10.77	5.85

Compensated Absences

₹ Lakhs

	Particulars	Year ended 31.03.2015	Year ended 31.03.2014
iii	Expenses recognised in the Statement of Profit and Loss		
	Current Service Cost	2.14	2.18
	Interest Cost	1.26	1.03
	Actuarial (gain) /loss recognised in the year	9.85	8.06
	Total expenses recognised in the Statement of Profit and Loss for the year	13.25	11.27

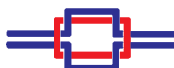
The above disclosures are based on information certified by the independent actuary and relied upon by the auditors.

Gratuity cost and cost of compensated absences as disclosed above, is included under employee benefit expenses.

**Note No: 27**

**Impairment of Assets**

In accordance with the requirement of Accounting Standard –28 on Impairment of Assets, the management has made an assessment of the Value in use of fixed assets of the company, based on an estimation of the discounted future cash flows arising from the continuing use of assets over their useful life. The assessment based on assumptions and estimates in the wake of emerging policies, both economic and otherwise have reinforced the Management's conviction that there is no impairment to be recognised at this stage.



**Note No: 28**

**Earnings per share**

Particulars	31.03.2015	31.03.2014
Profit/(Loss) for the period (₹ lakhs)	4296.44	4453.52
Weighted average of the number of shares of ₹ 10 each, fully paid up, outstanding during the period	100,000,000	100,000,000
Basic earnings /(loss)per share (₹)	4.30	4.45
Diluted earnings/ (loss) per share (₹)	4.30	4.45

**Note No: 29**

**Segment Reporting as per Accounting Standard 17**

The company is engaged in operating petroleum pipelines within the country and has only a single reportable segment in terms of Accounting Standard-17 issued by the Institute of Chartered Accountants of India

**Note No: 30**

**Related Party Transactions as per Accounting Standard 18**

**Names of the Related parties :**Enterprises who are able to control the Company(through substantial interest in the voting power)

1. Bharat Petroleum Corporation Limited
2. Petronet India Limited

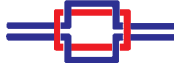
**Key Management Personnel:** Mr. D Bhaskaran, (Managing Director - Up to 31.05.2014)  
Mr. N Vijayagopal (Managing Director – From 01.06.2014)  
Mrs. S Rajeswari, ( Chief Financial Officer)

**Nature of Transactions with Bharat Petroleum Corporation Limited**

₹ lakhs

Particulars	March 31, 2015	March 31, 2014
Transactions during the period		
Rendering of services (including Service Tax)	11044.24	10441.02
Rent received	1.18	1.18
Utility service charges for rented premises	1.48	1.48
<b>Receiving of services</b>		
Purchase of lubricants	0.34	0.61
Sale of scrap	0.29	
Lease rent	63.44	43.38
Sitting fees	1.50	1.32
<b>* Management contracts – in respect of Employees deputed to the company</b>		
Key management personnel	94.12	36.65
Other employees	25.46	60.94
Interest paid/ payable on loans	-	96.10
Loans repaid during the year	-	5206.00
Outstanding on Balance Sheet date		
Receivable	1103.26	982.84
Payable	69.44	49.44

\*These amounts are computed based on debit advice received from Bharat Petroleum Corporation Limited and also include expenses for leave encashment, incentives and other reimbursements.



## Nature of Transactions with Petronet India Ltd

₹ lakhs

Outstanding on Balance Sheet date	March 31, 2015	March 31, 2014
Receivable	0.02	0.19

### Note No: 31

Insurance premium includes premium paid on the estimated value of petroleum products stored in the pipeline.

### Note No: 32

#### Dues to Micro, Small and Medium Enterprises

Based on the information available with the management there are no amounts due to micro, small and medium enterprises in respect of whom, information is to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006.

### Note No: 33

Previous year's figures have been regrouped/recast wherever necessary. Figures in brackets represent figured for the previous year.

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For and on behalf of the Board

Sd/-  
**S. P. Gathoo**  
(DIN: 05102526)  
Chairman

Sd/-  
**N Vijayagopal**  
(DIN: 03621835)  
Managing Director

**For Menon and Ayyar**  
Chartered Accountants  
Firm Regn. No. 002058S

Sd/-  
**S. Ramesh**  
Company Secretary

Sd/-  
**S. Rajeswari**  
Chief Financial Officer

Sd/-  
**Raveendran A**  
Partner  
MM No. 019893

Mumbai  
Date: 30.04.2015

Kochi  
Date: 30.04.2015

Kochi  
Date: 30.04.2015