

Petronet CCK Limited

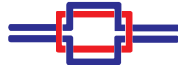
Eighteenth Annual Report

2015-16



Petronet CCK Limited

REGISTERED OFFICE	:	Irimpanam installation of Bharat Petroleum Corporation Ltd. Irimpanam P.O., Cochin - 682 309
WEB SITE	:	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, 1 Floor, Nenmanassery Illam off paliyam road, Kochi - 16
SECRETARIAL AUDITORS	:	BVR & Associates, Company Secretaries Swastika. 53/3933, Lal Salam Road, Ponnurunni, Vyttilla P.O., Kochi - 19
INTERNAL AUDITORS	:	Johney & Company, Chartered Accountants, Edappally Kochi - 24



Board of Directors

Chairman



S. P. Gathoo



Dipti Sanzgiri
(w.e.f. 12.10.2015)



P. M. Thomas



Prasad K Panicker



K. Sivakumar



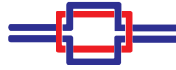
Shekhar Kumar Agrawal

Managing Director



N. Vijayagopal

S. Ramesh
Company Secretary



Index	Page
Board of Directors	3
Notice	5
Directors' Report	8
Comments of Comptroller and Auditor General of India	29
Auditors' Report	30
Balance Sheet	38
Statement of Profit & Loss	39
Cash Flow Statement	40
Notes to Accounts	41



NOTICE TO SHAREHOLDERS

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of Petronet CCK Limited will be held on Tuesday the 26th July, 2016 at 11.00 A.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 as at 31st March 2016, 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 appoint a Director in the place of Shri. Prasad K.Panicker (DIN: 06476857), who is retiring by rotation. The retiring Director is eligible for re-appointment.
3. To appoint a Director in the place of Shri.K.Sivakumar (DIN: 06913284), who is retiring by rotation. The retiring Director is eligible for re-appointment.
4. 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 2016-17.

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 to be appointed by the Comptroller & Auditor General of India (C&AG), for the financial year 2016-17”.

Special Business

5. To consider and if thought fit to pass with or without modification, the following Resolution as ordinary Resolution:-
“RESOLVED that Smt. Dipti Sanzgiri (DIN: 07303466) be and is hereby appointed as a Director of the Company liable to retire by rotation.
6. To consider and if thought fit to pass with or without modification, the following Resolution as ordinary Resolution:-
“RESOLVED that pursuant to Section 149, 150 and 152 read with Schedule IV of the Companies Act, 2013, Shri.P.M.Thomas (DIN: 00028259), be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation”.
7. 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 2016-17, be paid an annual remuneration of Rs.30,000/- + reimbursement of out of pocket expenses + applicable taxes for conducting the cost audit.

Note :

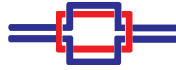
1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to item No. 4 to 7 is annexed hereto and form 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, 2016, become a part of the Annual Report for 2015-16.

**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 : 02.07.2016



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

Item No.4 : Regarding remuneration of Statutory Auditors:

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, 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 26.7.16, would consider and if thought fit, authorise the Board to fix the remuneration of the auditors for the financial year 2016-17.

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.4 of the notice for approval by the Shareholders.

Item No.5 : Appointment of Smt.Dipti Sanzgiri as Director :

M/s.Petronet India Ltd. vide their letter dated 28.8.15, nominated Smt. Dipti Sanzgiri, as PIL's representative Director on the Board of PCCKL in the place of Shri.P.M.Thomas. Accordingly, Smt. Dipti Sanzgiri was appointed as an Additional Director on the Board of PCCKL w.e.f.12.10.2015. As Additional Director, Smt. Dipti would hold office until the ensuing AGM and she is eligible for election by the Members in the said Meeting. A notice has been received from a Member under Section 160 of the Companies Act, proposing the name of Smt.Dipti Sanzgiri for Directorship.

Ms. Dipti Sanzgiri, a Chartered Accountant by profession and is a certified Master Coach in Organisation Learning methodology by Innovation Associates, USA, trained in Performance Coaching by Sir John Whitmore of M/s. Performance Consultants, UK and certified ontology based coach by M/s. Newfield Network, USA. She is currently holding position of Executive Director (International Trade) in Bharat Petroleum Corporation Limited, a Navratna Public Sector Undertaking and the second largest oil company in the country. Prior to this, she was holding the position of Executive Director (HRD).

As head of Human Resources Development, she was responsible for Talent Management, Learning and Development, Manpower Planning, Performance Management and Compensation and Benefits for the Organization.

Ms. Dipti has had varied experience in the Finance function holding several important portfolios like Management Accounting, Pricing and Commercial and Treasury Management. Before taking over as ED (HRD) in BPCL she was heading Strategy and Finance functions in Retail SBU of BPCL.

She has been associated with transformational changes in BPCL for past several years. She has played an active role as a coach and consultant to the top management team and several Strategic Business Units of the company in the area of organization development and change management. Her services will be beneficial and useful to the Company.

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

Item No.6: Appointment of Shri.P.M.Thomas as Independent Director :

Shri.P.M.Thomas was continuing as Nominee Director of PIL on PCCKL Board until 31.8.15. PIL vide their letter dated 28.8.15, nominated Smt. Dipti Sanzgiri, as PIL's representative Director on the Board



of PCKKL in the place of Shri.P.M.Thomas. Accordingly, Shri.P.M.Thomas tendered his resignation vide letter dated 31.8.15.

Considering his vast experience, in the Board Meeting held on 3.9.15, the Board unanimously appointed Shri.P.M.Thomas as Additional Director / Independent Director. Shri.P.M.Thomas possess all the qualifications required for an Independent Director as enumerated in Section 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 and he fulfills the conditions specified in the Companies Act, 2013 for such appointment.

In the ensuing AGM, the appointment of Shri.P.M.Thomas, as Independent Director would be regularized.

Shri.P.M.Thomas has extensive experience in the financial services industry to his credit. After serving RBI and IDBI for about 33 years, he retired as Chief General Manager of IDBI. Thereafter, he was appointed as the first MD of "CARE" ratings. During his tenure of five years, he was instrumental in establishing CARE ratings as one of the premiere national credit rating agencies. His experience and expertise span several areas like industrial finance, credit and risk analysis and management, foreign currency borrowings and operation and human resource development. He has served as a Director on the Boards of about 20 medium and large companies, some of them as nominee director of IDBI and the rest as independent director. At present he lives in Kochi.

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

Item No.7 : 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 21.4.16, 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 2016-17. 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 : 02.07.2016



DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

Your Directors take pleasure in presenting the Eighteenth Annual Report of your Company along with the Audited Accounts of the Company for the year ended 31st March 2016.

It is a matter of great pleasure that your company has continued with the improved performance during the financial year 2015-16. The revenue for the year grew by 14.56% compared to the last year. The Company could achieve an operating profit of Rs.98.02Crores. Profit before taxation was an all-time high of Rs.91.06 Crores. Profit after taxation, amounting to Rs.59.41 Crores was another all time high.

FINANCIAL HIGHLIGHTS

(₹ in lakhs)

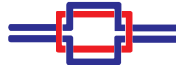
	2015-16	2014-15
Income from operations (including other income)	11742.22	10249.84
Operating expenses and employee costs	1940.39	1732.80
Operating profit	9801.83	8517.04
Finance cost	-	-
Profit before depreciation	9801.83	8517.04
Depreciation & amortisation	696.29	1994.34
Profit before tax and prior period items	9105.54	6522.70
Prior period depreciation	-	-
Profit / (loss) before tax	9105.54	6522.70
Provision for Tax	3164.70	2226.26
Profit for the period after tax	5940.84	4296.44

Review of Operations

Throughput – Growth

The pipeline achieved highest ever throughput of 2.715 MMT during the year 2015-16 compared to previous year throughput of 2.458 MMT with a significant growth rate of 10.46 %. The previous best throughput was 2.573 MMT in the year 2012-13. The Company had always maintained close co-ordination with BPCL for better utilization of pipeline

The revenue from transportation of products for the Company crossed One Billion Rupees first time since inception. The earnings on transportation got increased from Rs.98.27 Cr in 2014-15 to Rs. 107.78 Cr in 2015-16 owing to significant pipeline utilization.



DIVIDEND

The Board of Directors have not declared any dividend for the financial year 2015-16

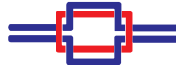
ACHIEVEMENTS AT A GLANCE

Pipeline Operations & Maintenance

1. PCCCKL achieved highest ever throughput of 2.715 MMT during the period from April 2015 to March 2016. Coimbatore Terminal achieved highest ever throughput of 1.376 MMT surpassing previous best of 1.162 MMT (2014-15).
2. Pipeline loss maintained at modest 0.023% this year.
3. DNV-GL conducted Re-certification audit in June 2015 and Company was certified for all the three standards ISO 9001, ISO 14001 and OHSAS 18001. The certificates are valid till 21st July 2018.
4. Some of the major improvements carried out during 2015-16 are as follows:
 - a. Major overhauling of MP-2, MP-3 and BP-2 HT motors completed. With this major overhauling of all HT motors completed and running satisfactorily.
 - b. Up gradation of PLC at Terminals and 12 nos of SV stations completed. The overall speed of data transfer had tremendously improved from 9600 baud rate to 100 Mbps eliminating the bottleneck for speed, safety, accuracy and healthy operation of pipeline. Interfacing job of new Schneider make PLC with existing ECIL SCADA completed.
 - c. GPS based personnel tracking system has been put in place at PCCCKL for close monitoring of LPM and integrity of line walking.

HSE & Employee Development Activities

1. PCCCKL Cochin Terminal received RUNNER UP award for the outstanding safety performance in the category of Small Size Industries from National Safety Council (Kerala Chapter) in connection with safety day celebrations.
2. Training on Fire and Safety was imparted to all company employees and contractor employees this year also. The number of injuries, accidents and other adverse health effect reported is NIL.
3. Principal Chief Conservator of Forests (Social forestry), Govt. of Kerala, Thiruvananthapuram has accorded approval for implementing Compensatory afforestation project proposed by PCCCKL in order to comply with statutory requirement of MOEF clearance for CCK pipeline project. The project will be executed in three years. Total estimated project cost is Rs.78.15 lakhs.
4. Fire mock drill, On-site emergency mock drills involving mutual aid members are conducted regularly and records are maintained.



5. Line patrolling (pipeline security) is monitored closely to protect ROU and pipeline and records are maintained. Terminal-in-charges and executives also patrol the pipeline and records are maintained.
6. Action initiated and now in advanced stage of completion for Prohibited Area notification by State Governments for all SV stations

FINANCE

Surplus funds generated from operations are fruitfully invested in fixed deposits with scheduled banks.

The claims for enhanced compensation filed by landowners in various District Courts are being defended legally. During the financial year 2015-16, the Company settled many compensation cases, complying with the District Court Judgments, with nominal enhancements in 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. Subsequently 4.99% of PCCKL shares held by SBI was purchased by BPCL, increasing BPCL's stake in PCCKL to 73.96% on 24.11.2015.

26% shareholding held by PIL in PCCKL was transferred to BPCL on 6.5.16, raising the total shareholding of BPCL in PCCKL up to 99.96%.

DIRECTORS & KEY MANAGERIAL PERSONNEL

As on 31.3.2016, the Board comprised of seven 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 & Smt.Dipti Sanzgiri (Woman Director appointed w.e.f. 12.10.15, as per the provisions of the Companies Act 2013).

Shri.P.M.Thomas, who was nominated by PIL resigned from the Board vide letter dated 31.8.2015, and in the Meeting held on 3.9.15, he was appointed as an Additional Director and then Independent Director, fulfilling all the statutory formalities.

As Additional Directors, Shri.P.M.Thomas and Smt.Dipti Sanzgiri would hold office until the ensuing AGM and they are eligible for election as Directors in the said Meeting. A notice has been received under Section 160 of the Companies Act 2013 from a member, proposing the name of Smt.Dipti Sanzgiri for Directorship. Similarly, Shri.P.M.Thomas would be elected as Director / Independent Director in the ensuing AGM.

The status change of the Company has already been informed to the Govt. by BPCL and after getting their response, steps would be initiated to obtain nominations from the Govt. to appoint the required number of Independent Directors. After the nominations are received from the Govt. the Board / the Committees of the Board would be reconstituted in line with the provisions of the Companies Act, 2013.



As per Sec. 152 of the Companies Act, 2013, Shri. Prasad K Panicker and Shri. K.Sivakumar 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 2016, 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 2016 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.

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 – Independent Director S.P.Gathoo K.Sivakumar N.Vijayagopal Shri.Prasad K.Panicker (Inducted into the Audit Committee on 21.4.16)



2. Nomination and Remuneration Committee	P.M.Thomas –Independent Director S.P.Gathoo K.Sivakumar N.Vijayagopal
3. Corporate Social Responsibility Committee	P.M.Thomas –Independent Director Prasad K Panicker N.Vijayagopal
4. Share Transfer Committee of the Board	S.K.Agrawal N.Vijayagopal Prasad K Panicker * K.Sivakumar * * Inducted into the Committee w.e.f.3.5.16.

MEETINGS OF THE BOARD / COMMITTEES – 2015-16

During the year ;

- i) Six Board Meetings were held - on 9.4.15, 30.4.15, 31.7.15, 3.9.15,, 5.11.15 & 22.1.16
- ii) Four Audit Committee Meetings were held - on 30.4.15,31.7.15, 5.11.15 & 22.1.16
- iii) Four Nomination and Remuneration Committee Meetings were held
– on 30.4.15,31.7.15,3.9.15 & 22.1.16
- iv) Share Transfer Committee Meetings were held on 29.5.15 & 24.11.15

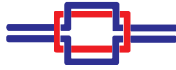
ANNUAL GENERAL MEETING

17th Annual General Meeting of the Company was held on 3.9.2015.

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 2015-16 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 PCCCKL 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. PCCCKL 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.
- ⇒ Average net profit of the Company for the last three financial years for the purpose of computation of CSR is Rs.2920 lakhs and the prescribed CSR expenditure (2% of the average net profits) is Rs.58.40 lakhs
- ⇒ Details of CSR spent during the financial year
 - a. Total amount to be spent during the financial year ; Rs.58.40 lakhs
 - b. Amount unspent ; Rs.28.89 lakhs
 - c. Manner in which the amount spent during the financial year ; see annexure-1

RISK MANAGEMENT

Since the Company has become a subsidiary of BPCL, a Risk Management Policy as applicable to pipeline transporters would be framed in line with the system in vogue at BPCL.

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

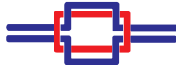
The Company has not given any loan, made any investment or provided guarantee during the financial year.

TRANSACTIONS WITH RELATED PARTIES

There are no transactions that attract related party disclosures as required under Section 188 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

Being a Joint Venture / Subsidiary 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 2015-16.

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

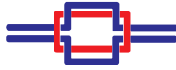
M/s. BBS & Associates, Cost Accountants, Cochin were appointed as Cost Auditors of the Company for the financial year 2015-16. In the Board Meeting held on 22.4.16, M/s. BBS & Associates have been reappointed as the Cost Auditors of the company for the financial year 2016-17. Their remuneration approved 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 Board has appointed M/s.BVR & Associates, Cochin as Secretarial Auditors for the Financial Year 2015-16. 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, 2016 is annexed herewith marked as Annexure-2. The Secretarial Audit Report does not contain any qualification/ reservation or adverse remark

INTERNAL AUDITORS

Pursuant to Section 138 of the Companies Act, 2013, M/s.Johneey & Co., Chartered Accountants, Cochin were appointed as the Internal Auditors of the Company for the Financial Year 2015-16 and in the meeting held on 22.4.16, they are re-appointed as Internal Auditors for the year 2016-17 also.



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 PCCKL 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 2015-16.

AWARDS AND RECOGNITIONS

In 2015-16, Petronet CCK Limited were the Runners Up in the National Safety Council Award for outstanding safety performance – Sub-Medium Industries.

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.12.14 lakhs as incentive from KSEB during the year 2015-16.

Technology Up gradation

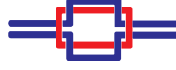
1. Upgradation of PLC system at all the three terminals and RTUs at 12 SV stations enhancing real time updation of pipeline parameters in SCADA facilitating efficient and safe pipeline operation.
2. GPS based real time monitoring of LPMs for effective pipeline patrolling

Foreign Exchange Earnings & Outgo : Nil

Mumbai
29.6.16

For and on behalf of the Board of Directors

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



ANNEXURE – I

1 Sl. No	2 CSR project or activity identified	3 Sector in which the project is covered	4 Projects or programs 1. Local area or other 2. Specify the state and Dist. where project or programme undertaken	5 Amount outlay (Budget) Project or programmes wise (Rs.)	6 Amount Spent on the projects or programmes Sub-heads 1. Direct on project or programmes 2. Overheads (Rs.)	7 Cumulative expenditure up to the reporting period (Rs.)	8 Amount spent Direct or through implementing agency
1	Providing electrification to classroom of higher secondary schools	Promotion of education	Aalathur, Palakkad, Kerala	1,53,300	1,53,300	1,53,300	Direct
2	Connecting villagers to the main land project at walayar dam	Rural Development	Walayar, Palakkad, Kerala	10,71,378	10,71,378	12,24,678	Direct
3	Providing computer to schools	Promotion of education	Pudusserry, Palakkad, Kerala	1,80,000	1,80,000	14,04,678	Direct
4	Potable water projects at schools	Drinking water	Kanjikode, Palakkad, Kerala	96,000	96,000	15,00,678	Direct
5	Sanitation and potable water projects at schools	Drinking water	Kanjikode, Palakkad, Kerala	96,000	96,000	15,96,678	Direct
6	Rehabilitation programme in the areas of physical disability	Rehabilitation / health	Thrissur, Kerala	13,55,111	13,55,111	29,51,789	Direct

⇒ 2% of the average net profit of the last three financial years amounted to Rs. 58.40 lakhs. The amount spent for 2015-16 towards CSR expenditure is Rs. 29.51 lakhs. The company is in the process of spending the unspent amount of 2015-16 in the year 2016-17 and it has an approved CSR allocation amounting to Rs.79.68 lakhs towards approved CSR projects.

⇒ The implementation and monitoring of CSR policy are in compliance with CSR objectives and policy of the company.



SECRETARIAL AUDIT REPORT

FOR THE YEAR ENDED 31ST MARCH, 2016

[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 LLP 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 for expressing our opinion thereon.

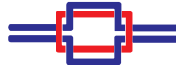
Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2016 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 31st March, 2016 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

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 Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
6. The Kerala Panchayath Raj Act and Kerala Municipalities Act
7. The Public Liability Insurance Act, 1961
8. The Water (Prevention and Control of Pollution) Act, 1974
9. The Electricity Act, 2003
10. The Petroleum and Natural Gas Regulatory Board Act, 2006
11. The Environment Protection Act, 1986
12. The Energy Conservation Act, 2001
13. Right to Information Act, 2005
14. Government Guidelines/ Rules/ Regulations as may be applicable to the Company.

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 changed from Non- Government Company to Government Company pursuant to the increase in the percentage of shareholding of Bharat Petroleum Corporation Ltd to 73.96% on 24th November 2015. The Company became a subsidiary of Bharat Petroleum Corporation Ltd from 29th May 2015.

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 was required to appoint Independent directors according to the provisions of Section 149 of the Companies Act, 2013. In addition to Companies Act, the Company is required to adhere to the DPE Guidelines issued by the Central Government. The appointment of Independent Director is also governed under DPE Guidelines. Pursuant to DPE Guideline the company awaits directions from Central Government regarding the appointment of Independent Directors. However the Company appointed an Independent Director and a Woman Director on 03.09.2015 and 12.10.2015 respectively. 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.

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 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.

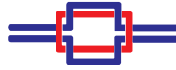
As on 31.03.2016, there are a total of 726 cases filed, of which 616 cases has been either decided, settled or dismissed and balance 110 are pending.

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.

Place: Kochi
Date: 19/04/2016

Sd/-
CS Yogindunath S,
Designated Partner,
BVR & Associates Company Secretaries LLP
FCS: F7865
CP: 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.

For BVR & Associates Company Secretaries LLP

Sd/-

CS Yogindunath S

Partner

FCS No. F7865

C P No. 9137

Place: Cochin

Date: 19/04/2016



Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2016

(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

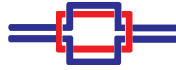
- I. CIN : U60300KL1998PLC012336
- II. Registration date : 18.06.1998
- III. Name of the Company : Petronet CCK Limited
- IV. Category/Sub-Category of the Company : Public Company/Limited by shares
- V. Address of the Registered office and contact details : Irimpanam Installation of BPCL
Irimpanam, Cochin - 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:-
See Annexure A



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

- i. Category-wise Share Holding – As per annexure-B
- ii. Shareholding of Promoters – As per annexure-C
- iii. Change in Promoters Share Holding – BPCL's shareholding in PCCKL went up from 49% to 73.96% during the period 1.4.15 to 31.3.16
- iv. Shareholding pattern of 10 Shareholders other than Directors, Promoters and Holders of GDRs and ADRs – As per annexure-D
- v. Shareholding of Directors and Key Managerial Personnel – As per annexure-E

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-F
- B. Remuneration to Other Directors – As per annexure-G
- C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD – As per annexure-H

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES – NIL

ANNEXURE A

III. Particulars of holding subsidiary and associate companies:

Sl.No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
1	Bharat Petroleum Corporation Ltd. Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai – 400 001	L23220MH1952GOI008931	Holding company	73.96	Section 2(46)

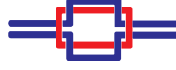
ANNEXURE B

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.01.04.2015			No. of Shares held at the end of the year i.e.31.03.2016			% of Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
A							
Promoters							
Bodies Corporate		75000070	75000070		99960068	99960068	99.96
Total Shareholding of Promoters		75000070	75000070		99960068	99960068	99.96
B							
Public Shareholding							
1. Institutions							
Financial Institutions/ Bank		24999918	24999918		39920	39920	0.04
Total Public Shareholding		24999918	24999918		39920	39920	0.04
C							
Non-institutions							
Individual Shareholders		12	12		12	12	0
Sub-Total		12	12		12	12	0
Grand Total A+B+C		100000000	100000000	100	100000000	100000000	100





ANNEXURE -C

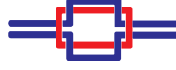
ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015			Shareholding at the end of the year 31.03.2016			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	% of pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of pledged/ encumbered to total shares	
1.	Bharat Petroleum Corporation Ltd.	49000000	49.00	-	73959998	73.96	-	24.96
2.	Petronet India Ltd.	26000070	26.00	-	26000070	26.00	-	0
	Total	75000070	75.00	-	99960068	99.96	-	24.96

ANNEXURE-D

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

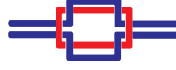
Sl. No.	Top 10 Shareholders	Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding at the end of the year 31.3.2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	BPCL	49000000	49.00	73959998	73.96
2	PIL	26000070	26.00	26000070	26.00
3	IDFC	19973332	19.97	00	00
4	SBI	49866666	4.99	00	00
5	IL&FS	39920	0.04	39920	0.04



ANNEXURE-E

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

Sl. No.	Folio/Beneficiary A/c. No.	Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year		Shareholding at the end of the year		Cumulative during the year	Shareholding % of total shares of the company	
					No. of shares	% of shares of company	No. of shares	% of shares of company			
1	28	N.Vijaygopal jointly with PIL (KMP)	24.6.2014	10 shares acquired on 24.6.2014	10	-	7	-	-	-	
2	29	S.K.Agrawal	4.3.2015	1 share acquired on 4.3.15	1	-	0	-	0	-	
3	33	Prasad K Panicker	24.11.15	1 share acquired on 24.11.15	0	-	1	-	1	-	
4	30	S.P.Gathoo jointly with PIL	24.11.15	1 share acquired on 24.11.15	0	-	1	-	1	-	
5	31	Dipti Sanzgiri jointly with PIL	24.11.15	1 share acquired on 24.11.15	0	-	1	-	1	-	
6	32	S.K.Agrawal jointly with PIL	24.11.15	1 share acquired on 24.11.15	0	-	1	-	1	-	
Key Managerial Personnel					10		7		7		
Total					11		-		11		-



ANNEXURE-F

vi. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

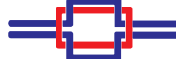
A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl.No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (Rs. In lakhs)
1	Gross salary	N.Vijayagopal (w.e.f.01.04.15)	
a	Salary as per Provisions contained in Section 17(1) of the Income Tax Act 1961	65.72	65.72
b	Value of perquisites u/s Section 17(2) of the Income Tax Act 1961	3.55	3.55
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	69.27	69.27
	Ceiling as per the Act (@10% of profits calculated u/s 198 of the Companies Act, 2013)	-	910.55

ANNEXURE-G

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	0.60	-	-	0.60
	Total (2)	0.60	-	-	0.60
	Total (B) = (1+2)	0.60	-	-	0.60
	Ceiling as per the Act @1% of profits calculated under Section 198 of the Companies Act, 2013)				91.05



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	46.85	18.88
b	Value of perquisites u/s Section 17(2) of the Income Tax Act 1961	3.13	1.67
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	-	-
	Total	49.98	20.55
			70.53

vii. PENALTIES / PUNISHMENT /COMPONDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2016.



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 2016.

The preparation of financial statements of Petronet CCK Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) 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 the 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 21.04.2016.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Petronet CCK Limited for the year ended 31 March 2016 under section 143(6)(b) of the Act.

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

(G. SUDHARMINI)

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

Place: Chennai

Date: 27.05.16



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, 2016, 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

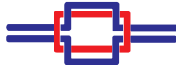
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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.

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing ('Standards') 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 misstatements.

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. 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.

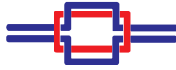
Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2016 ;
- (b) in the case of the statement of Profit & Loss, of the Profit of the Company for the year ended on that date and
- (c) in the case of the Cash Flow statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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 Accounting 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 2016, taken on record by the Board of Directors, none of the directors of the Company is disqualified as on 31st March 2016, from being appointed as a director in terms of Section 164 (2) of the Act ;
- f. With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we refer to our separate report annexed.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The financial statements disclose the impact of pending litigations on the financial position of the Company – Refer Note No. 27(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

Sd/-
Raveendran .A
Partner
Membership No. 019893

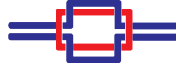
Ernakulam
21.04.2016



Annexure To Independent Auditors' Report

The Annexure referred to in paragraph 1 under the heading "Report on other legal and Regulatory Requirements" of our report of even date on the accounts of Petronet CCK Limited for the year ended 31st March, 2016.

- (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.
- (c) The title deeds of immovable properties shown in the financial statements are held in the name of the Company
- (ii) Physical verification of inventory of stores and chemicals has been conducted at the close of the year by the management which is reasonable and adequate in relation to the size of the company and the nature of its business and no material discrepancies were noticed on such physical verification during the year by the management.
- (iii) 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.
- (iv) The company has not given any loans or guarantees or made any investment falling within the meaning of sections 185 and 186 of the Companies Act, 2013.
- (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.
- (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, Service Tax, duty of Customs, duty of excise, value added Tax, Cess and other material statutory dues as applicable with the appropriate authorities. There are no arrears of undisputed statutory dues outstanding as 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, there are no 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.
- (viii) The company has not taken any loan or borrowing from a financial Institution, bank, Government nor has it issued any debentures.
- (ix) The Company has not raised any money by way of public offer during the year.
- (x) 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.
- (xi) Remuneration paid/provided to directors is only in accordance with section 197 read with Schedule V of the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence clause (xii) of the order is not applicable.
- (xiii) All transactions with related parties are in Compliance with sections 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential or private placement of shares or convertible debentures.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them during the year.
- (xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

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

Sd/-
Raveendran .A
Partner
Membership No. 019893

Ernakulam
21.04.2016



Report on General 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 31st March, 2016.

1. Whether the company has clear title/ lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title / lease deeds are not available.

The title deeds of immovable properties shown in the financial statements are held in the name of the Company.

2. 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 under audit.

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Government or other authorities.

The Company has no inventories lying with third parties and no assets have been received as gift/ grant(s) from the Government or other authorities.

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

Sd/-
Raveendran A
Partner
Membership No. 019893

Ernakulam
21.04.2016



Annexure to the Independent Auditor's Report

The Annexure referred to in paragraph 3(f) under the heading "Report on other legal and Regulatory Requirements" of our report of even date on the accounts of Petronet CCK Limited for the year ended 31st March, 2016.

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

We have audited the internal financial controls over financial reporting of Petronet CCK Limited as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

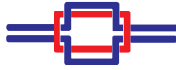
The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

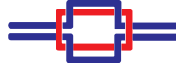
Opinion

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

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

Sd/-
Raveendran. A
Partner
Membership No. 019893

Ernakulam
21.04.2016



Balance Sheet as at 31st March, 2016

₹ in Lakhs

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	10,000.00	10,000.00
(b) Reserves and Surplus	3	10,262.31	4,321.47
(2) Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	4	275.69	349.33
(b) Other Long Term Liabilities	5	32.85	28.35
(c) Long-Term Provisions	6	83.44	62.51
(3) Current Liabilities			
(a) Other Current Liabilities	7	236.74	271.21
(b) Short-Term Provisions	8	59.35	633.99
TOTAL		20,950.38	15,666.86
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	4,190.25	4,659.04
(ii) Intangible Assets	10	1,546.86	1,517.42
(iii) Capital work-in-progress		36.55	37.82
(b) Long-Term Loans and Advances	11	168.37	177.91
(c) Other Non-Current Assets	12	12,134.00	3,953.00
(2) Current Assets			
(a) Inventories	13	64.69	70.95
(b) Trade Receivables	14	1,110.08	1,100.93
(c) Cash and Cash Equivalents	15	701.49	3,200.79
(d) Short-Term Loans and Advances	16	161.04	664.01
(e) Other Current Assets	17	837.05	284.99
TOTAL		20,950.38	15,666.86

Significant Accounting Policies: Note No: 1

Other Notes to accounts: Note No: 22 to 32

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: 21.04.2016

Kochi
Date: 21.04.2016

Kochi
Date: 21.04.2016



Statement of Profit and Loss for the period ended 31st March,2016

₹ in Lakhs

Particulars	Note No.	For the year ended 31 st March 2016	For the year ended 31 st March 2015
I. Revenue from Operations	18	10777.60	9827.19
II. Other Income	19	964.62	422.65
III. Total Revenue (I + II)		11742.22	10249.84
IV. Expenses:			
Employee Benefit Expenses	20	510.64	497.28
Depreciation and Amortisation Expense	9/10	696.29	1994.34
Other Expenses	21	1429.75	1235.52
Total Expenses (IV)		2636.68	3727.14
V Profit / (Loss) before Tax (III - IV)		9105.54	6522.70
VI Tax Expense:			
Current Tax		3238.33	2673.65
Deferred Tax		(73.63)	(447.39)
Total Tax Expense (VI)		3164.70	2226.26
VII Profit /(Loss) for the period (V - VI)		5940.84	4296.44
VIII Earnings Per Equity Share having a face value of ₹10			
(1) Basic		5.94	4.30
(2) Diluted		5.94	4.30

Significant Accounting Policies: Note No: 1

Other Notes to accounts: Note No: 22 to 32

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: 21.04.2016

Kochi
Date: 21.04.2016

Kochi
Date: 21.04.2016



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

	2015-16	2014-15
	₹ Lakhs	₹ Lakhs
A CASHFLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	9105.54	6522.70
Adjustments for:		
Depreciation and amortisation	696.29	1994.34
Corporate social responsibility expenses	55.61	28.90
Loss /(Profit) on sale of assets (including stores)	(0.75)	(0.68)
Interest income	(947.12)	(382.77)
Other non-cash Items	2.07	0.61
Interest on income tax paid/ (refund)	0.85	(20.71)
Operating profit before working capital changes	8912.49	8142.39
Adjustments for:		
(Increase)/decrease in Trade and other receivables	(8185.19)	(3749.06)
(Increase)/decrease in Inventories	6.26	(4.77)
Increase/(decrease) in Trade payables	(7.35)	97.22
Cash generated from operations	726.21	4485.78
Direct taxes (paid)/ refund received	(2735.18)	(1160.83)
Corporate social responsibility paid	(29.57)	(2.51)
Net cash (used in) / generated from operating activities (A)	(2038.54)	3322.44
B CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(256.17)	(129.84)
Proceeds from sale of fixed assets	1.24	0.75
Net cash (used in) / generated from investing activities (B)	(254.93)	(129.09)
C CASHFLOW FROM FINANCING ACTIVITIES		
Interest income	396.54	113.31
Divident paid	(500.00)	(500.00)
Corporate dividend tax	(102.37)	(84.98)
Net cash generated from financing activities (C)	(205.83)	(471.67)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(2,499.30)	2,721.68
Cash and Cash equivalents as at 31st March	31-03-2015	31-03-2014
Cash on hand	0.83	0.77
Bank balances with scheduled banks	3,199.96	478.34
	3,200.79	479.11
Cash and Cash equivalents as at 31st March	31-03-2016	31-03-2015
Cash on hand	0.70	0.83
Bank balances with scheduled banks	700.79	3,199.96
	701.49	3200.79
Net change in cash and cash equivalents	(2,499.30)	2,721.68

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: 21.04.2016

Kochi
Date: 21.04.2016

Kochi
Date: 21.04.2016



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

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

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

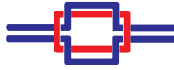
The Company has only one class of shares referred to as equity shares having a par value of ₹10. Each holder of equity shares is entitled to only one vote per share. The shareholders are entitled to any dividends paid by the company in proportion to the number of equity shares held. In the event of liquidation 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 31st 2016, and March 31st, 2015 is set out below.

Share Capital	As at 31 st March, 2016		As at 31 st March, 2015	
	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	-	-	-	-
Shares bought back during the period	-	-	-	-
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 st March, 2016		As at 31 st March, 2015	
	No. of shares held	% of holding	No. of shares held	% of holding
Bharat Petroleum Corporation Limited	73959998	73.96%	49000000	49%
Petronet India Limited	26000070	26%	26000070	26%
Infrastructure Development Finance Corporation			19973322	19.97%



Notes attached to and forming part of financial statements

₹ lakhs

Particulars	As at 31 st March 2016	As at 31 st March 2015
NOTE No: 3		
Reserves and Surplus		
Surplus as per last Balance Sheet	4,321.47	627.40
Add: Net profit/(loss) for the year as per Statement of profit and loss.	5,940.84	4,296.44
	10,262.31	4,923.84
Less: Appropriations		
Proposed Dividend		500.00
Tax on proposed dividend		102.37
Total	10,262.31	4,321.47
NOTE No: 4		
Deferred Tax Liability (Net)		
Deferred tax liability on account of depreciation.	306.96	354.29
Deferred tax assets disallowances under Income Tax Act, 1961.	(31.27)	(4.96)
Total	275.69	349.33
NOTE No: 5		
Other Long-Term Liabilities		
Provision for expenses	32.85	22.98
Statutory and other dues	-	5.37
Total	32.85	28.35
NOTE No: 6		
Long-Term Provisions		
Employee benefits		
Gratuity	61.58	47.35
Leave salary	21.86	15.16
Total	83.44	62.51



Notes attached to and forming part of financial statements

₹ lakhs

Particulars	As at 31 st March 2016	As at 31 st March 2015
NOTE No: 7		
Other Current Liabilities		
Provision for expenses	193.55	231.27
Retention and security deposit collected from suppliers/ contractors	34.67	26.34
Statutory and other dues	8.52	13.60
Total	236.74	271.21

NOTE No: 8

Short-Term Provisions

Employee benefits

Gratuity

3.70

2.98

Leave salary

3.22

2.25

Other Provisions

Provision for Proposed Dividend

-

500.00

Provision for Corporate Dividend Tax

-

102.37

Provision for Corporate Social Responsibility

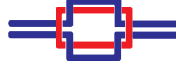
52.43

26.39

Total

59.35

633.99



NOTE No: 9
Tangible Assets as on 31st March 2016

(₹ Rs. Lakhs)

Sl. No.	Particulars	Gross Block			Depreciation			NET CARRYING AMOUNT			
		As At 01.04.2015	Additions	Deductions On Account of Retirement / Disposal	As At 31.03.2016	Upto 01.04.2015	For The Period	Deductions On Account of Retirement/ Disposal	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
1	Land	68.90	-	-	68.90	-	-	-	-	68.90	68.90
2	Buildings	2,452.96	1.90	-	2,454.86	1,321.26	62.88	-	1,384.14	1,070.72	1,131.70
3	Pipelines	22,972.28	-	-	22,972.28	20,913.88	117.41	-	21,031.29	1,940.99	2,058.40
4	Plant & Equipment	5,984.78	173.98	79.81	6,078.95	4,651.13	466.54	79.81	5,037.86	1,041.09	1,333.65
5	SCADA	638.73	-	-	638.73	634.22	4.51	-	638.73	-	4.51
6	Electrical Equipment	15.09	-	-	15.09	14.63	0.10	-	14.73	0.36	0.46
7	Computers	48.27	0.70	-	48.97	29.56	8.64	-	38.20	10.77	18.71
8	Office Equipment	82.49	27.64	-	110.13	61.27	10.83	-	72.10	38.03	21.22
9	Vehicle	30.35	-	-	30.35	27.85	0.76	-	28.61	1.74	2.50
10	Furniture & Fixtures	68.41	2.27	1.43	69.25	49.42	3.11	0.93	51.60	17.65	18.99
Total		32,362.26	206.49	81.24	32,487.51	27,703.22	674.78	80.74	28,297.26	4,190.25	4,659.04
Previous Year		33,008.59	82.18	728.51	32,362.26	26,460.14	1,971.52	728.44	27,703.22	4,659.04	6,548.45

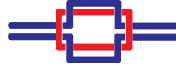
Note:

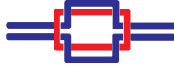
1. Depending upon the nature of assets, previous years figures have been regrouped wherever necessary.
2. Gross Block includes Rs.881.58 lakhs(previous year Rs.156.61 lakhs) towards assets which are not currently in active use.
3. Additional Depreciation of 20.45 lakhs (previous year 18.10 lakhs) has been provided to recognise the expected loss on disposal of assets which are not currently in use during the year.
4. Components of different assets have been depreciated over their useful lives to the extent identifiable.

NOTE No: 10
Intangible Assets as on 31st March 2016

(₹ Rs. Lakhs)

S. No.	Particulars	Useful life (No. of Years)	Gross Block			Amortisation			Net Carrying Amount			
			As at 01.04.2015	Additions	Deductions On Retirement/ Disposal	As at 31.03.2016	Upto 01.04.2015	For The Period	Deductions On Retirement/ Disposal	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
1	Right of Way	99	1,723.63	45.93	-	1,769.56	212.69	17.93	-	230.62	1,538.94	1,510.94
2	Computer Software	4	112.28	5.02	-	117.30	105.80	3.58	-	109.38	7.92	6.48
	Total		1,835.91	50.95	-	1,886.86	318.49	21.51	-	340.00	1,546.86	1,517.42
	Previous Year		1,821.69	14.22	-	1,835.91	295.67	22.82	-	318.49	1,517.42	1,526.02





Notes attached to and forming part of financial statements

₹ lakhs

Particulars	As at 31 st March 2016	As at 31 st March 2015
NOTE No: 11		
Long-Term Loans and Advances		
To staff		
Secured, considered good		
Due from officers	3.25	3.75
Due from employees	20.61	33.94
To others	.	
Unsecured, Considered Good		
* Advances recoverable in cash or in kind or value to be received	0.86	1.09
Security Deposits	103.79	99.27
** Others	39.86	39.86
Total	168.37	177.91

* Includes ₹ 0.86 lakhs (Previous year ₹ 0.86 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)

NOTE No: 12
Other Non-Current Assets

Unsecured, Considered Good		
Bank deposits with more than twelve months maturity	12,134.00	3,953.00
Total	12,134.00	3,953.00

NOTE No: 13
Inventories

Stores and Spares (Valued at cost (FIFIO basis))	64.69	70.95
Total	64.69	70.95

NOTE No: 14

Trade Receivables

Unsecured, Considered Good

- Outstanding for a period exceeding six months

- Other debts- Due from Bharat Petroleum Corporation Limited

-	-
1,110.08	1,100.93

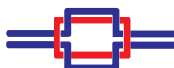
Total	1,110.08	1,100.93
--------------	-----------------	-----------------



Notes attached to and forming part of financial statements

₹ lakhs

Particulars	As at 31 st March 2016	As at 31 st March 2015
NOTE No: 15		
Cash and Cash Equivalents		
Balance with Banks		
-In current accounts	4.20	5.71
On deposit accounts		
Short term deposits	695.00	3,193.00
Cash on Hand	0.70	0.83
Other bank balances		
Endoresd with Sales Tax Authorities	1.59	1.25
	701.49	3,200.79
	701.49	3,200.79
NOTE No: 16		
Short-Term Loans and Advances		
Secured, considered good		
Others - Loans to staff		
Due from Officers	0.50	0.50
Due from Employees	4.35	6.13
Unsecured, considered good		
Loan and advances to related party - Due from Petronet India Ltd	1.58	0.02
Loans to employees	2.96	1.64
Advances recoverable in cash or in kind or value to be received	77.08	77.10
Advance income tax (Net of provision for taxation)	74.42	159.22
MAT Credit entitlement	-	419.20
Rent advance	0.15	0.20
	161.04	664.01
	161.04	664.01
NOTE No: 17		
Other Current Assets		
Interest income accrued but not due - Bank deposits	828.24	277.66
- Others	8.81	7.33
	837.05	284.99
	837.05	284.99



Notes attached to and forming part of financial statements

₹ lakhs

Particulars	For the year ended 31 st March 2016	For the year ended 31 st March 2015
NOTE No: 18		
Revenue From Operations		
Sale of Services	12279.35	11,041.83
Less: Service tax	1501.75	1,214.64
Total	10777.60	9,827.19
NOTE No: 19		
Other Income		
Interest Income	957.03	394.58
Interest on income tax refund	-	20.71
Other Non-Operating Income	6.84	6.68
Profit from sale of assets (net)	0.75	0.68
Total	964.62	422.65
NOTE No: 20		
Employee Benefit Expenses		
Salaries and Wages	418.96	405.10
Contribution to Provident Fund and Other Funds	50.88	49.67
Staff Welfare Expenses	40.80	42.51
Total	510.64	497.28
NOTE No: 21		
Other Expenses		
Power & Fuel	667.61	596.59
Consumption of chemicals, stores, etc. (indigenous)	48.45	37.56
Repair & Maintenance		
- Pipeline	7.15	38.14
- Machinery	137.65	88.97
- Buildings	7.15	25.28
- Other infrastructure	50.16	40.33
- Others	0.06	0.12
Watch and ward	142.32	121.84
Rent	60.17	64.61
Rates and Taxes	11.73	13.21
Insurance	50.14	53.09
Auditor's remuneration		
(a) audit fees	1.50	1.50
(b) reimbursement of expenses	-	0.08
Provision for CSR	55.61	28.90
Travelling expenses	20.11	22.26
ROU Expenses	84.76	19.37
Miscellaneous Expenses	85.18	83.67
Total	1429.75	1235.52



Notes attached to and forming part of financial statements

Note No : 22

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	2015-16	2014-15
Employers contribution to Provident Fund*	18.81	18.24
Employers contribution to Superannuation Fund	21.22	20.41

*Excluding EPF of employees on deputation

2. Defined Benefit Plans

Gratuity

₹ Lakhs

	Particulars	2016	2015	2014	2013	2012
i	Actuarial Assumptions					
	Discount Rate (per annum)	8.08%	7.94%	9.31%	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)	17	18	17	17	18

Compensated absences

₹ Lakhs

	Particulars	2016	2015	2014	2013	2012
i	Actuarial Assumptions					
	Discount Rate (per annum)	8.08%	7.94%	9.31%	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)	17	18	17	17	18

*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

	Particulars	2016	2015	2014	2013	2012
ii	Reconciliation of present value of obligation					
	Present value of obligation at beginning of the year	50.33	40.41	34.56	27.43	20.28
	Current Service Cost	4.02	3.31	3.00	2.62	1.95
	Interest Cost	4.00	3.77	3.10	2.63	1.83
	Actuarial (gain)/loss	6.92	3.69	(0.25)	1.88	3.36
	Benefits Paid	-	(0.85)	-	-	-
	Present value of obligation at end of the year (Liability disclosed in the Balance sheet)	65.27	50.33	40.41	34.56	27.42

Compensated absences ₹ Lakhs

	Particulars	2016	2015	2014	2013	2012
ii	Reconciliation of present value of obligation					
	Present value of obligation at beginning of the year	17.41	13.57	12.53	7.07	4.89
	Current Service Cost	2.54	2.14	2.18	2.18	1.18
	Interest Cost	1.38	1.26	1.03	0.62	0.40
	Actuarial (gain)/loss	12.79	9.85	8.06	4.32	4.92
	Benefits Paid	(9.04)	(9.41)	(10.23)	(1.66)	(4.32)
	Present value of obligation at end of the year (Liability disclosed in the Balance sheet)	25.08	17.41	13.57	12.53	7.07

Net cost for the year ended March 31, 2016 and March 31, 2015 comprises of the following components:

Gratuity ₹ Lakhs

	Particulars	Year ended 31.03.2016	Year ended 31.03.2015
iii	Expenses recognised in the Statement of Profit and Loss		
	Current Service Cost	4.02	3.31
	Interest Cost	4.00	3.77
	Actuarial (gain) /loss recognised in the year	6.92	3.69
	Total expenses recognised in the Statement of Profit and Loss for the year	14.94	10.77



Compensated Absences

₹ Lakhs

	Particulars	Year ended 31.03.2016	Year ended 31.03.2015
iii	Expenses recognised in the Statement of Profit and Loss		
	Current Service Cost	2.54	2.14
	Interest Cost	1.38	1.26
	Actuarial (gain) /loss recognised in the year	12.79	9.85
	Total expenses recognised in the Statement of Profit and Loss for the year	16.71	13.25

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: 23

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: 24

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: 25

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
3. Kochi Salem Pipeline Private Limited

Key Management Personnel: Mr. N Vijayagopal (Managing Director)
Mrs. S Rajeswari, (Chief Financial Officer)

Nature of Transactions with Bharat Petroleum Corporation Limited

₹ lakhs

Particulars	March 31, 2016	March 31, 2015
Transactions during the period		
Rendering of services (including Service Tax)	12281.76	11044.24
Rent received	1.20	1.18
Utility service charges for rented premises	1.51	1.48

Contd..



		₹ lakhs
Receiving of services		
Purchase of lubricants	0.26	0.34
Sale of scrap	0.18	0.29
Lease rent	63.59	63.44
Sitting fees	1.49	1.50
* Management contracts – in respect of Employees deputed to the company		
Key management personnel	90.37	94.12
Other employees	21.47	25.46
Outstanding on Balance Sheet date		
Receivable	1112.22	1103.26
Payable	36.99	69.44

*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, 2016	March 31, 2015
Receivable	1.58	0.02

Nature of Transactions with Kochi Salem Pipeline Private Limited - Nil

Note No: 26

Earnings per share

Particulars	March 31, 2016	March 31, 2015
Profit/(Loss) for the period (lakhs)	5940.84	4296.44
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 (₹)	5.94	4.30
Diluted earnings / (loss) per share (₹)	5.94	4.30

Note No: 27

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

₹ lakhs

Particulars	March 31, 2016	March 31, 2015
(i)Contingent Liabilities		
Claims against the company not acknowledged as debts: 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.	32.48	31.56
(ii) Commitments		
Estimated amount of contracts remaining to be Executed on capital account and not provided for	83.06	47.00



Notes attached to and forming part of financial statements

NOTE No: 28

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

₹ lakhs

Particulars	31 st March 2016	31 st March 2015
i) Components and spare parts	-	-
ii) Capital goods	-	-

(b) Expenditure in foreign currency

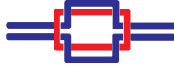
₹ lakhs

Particulars	31 st March 2016	31 st March 2015
i) Foreign travel	-	-
ii) Technical consultancy fee	-	-

(c) Stores and Spares Consumed

₹ lakhs

Particulars	31 st March 2016		31 st March 2015	
	Amount	%	Amount	%
Stores consumed :				
Chemicals (indigenous)	47.97	94%	37.01	94%
Lubricants (indigenous)	0.48	1%	0.55	1%
Selant catrides charged to other revenue accounts (indigenous)	2.32	5%	1.87	5%
Total	50.77	100%	39.43	100%
Stores consumed :				
Imported	-	-	-	-
Indigenous (Charged to other revenue accounts)	27.35	100%	15.90	100%
Total	27.35	100%	15.90	100%



Note No: 29

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

Note No: 30

Bank deposits with more than twelve months maturity have been reclassified as non-current assets.

Note No: 31

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:32

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

For and on behalf of the Board

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: 21.04.2016

Kochi
Date: 21.04.2016

Kochi
Date: 21.04.2016