

Chennai Petroleum Corporation Limited

February 06, 2019

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long term bond issue	-	-	Withdrawn

Details of instruments/facilities in Annexure-1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the rating assigned to the Bond issue of Chennai Petroleum Corporation Limited (CPCL) with immediate effect, as the company has repaid the aforementioned Bond issue (amounting Rs.1000 crore) in full and there is no amount outstanding under the said issue.

Analytical approach:

Not Applicable

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company

Chennai Petroleum Corporation Limited (CPCL) is a 'Miniratna Central Public Sector Enterprise' and a government company under the administrative control of Ministry of Petroleum & Natural Gas. CPCL is a subsidiary of Indian Oil Corporation Limited, which holds 51.89% equity stake in CPCL. There are high level of operational synergies between the entities as IOCL imports the entire raw material requirements for CPCL and offtakes 80-90% of the finished products as well.

CPCL was established in December 1965 as a joint venture of the Government of India (GoI with 74% equity stake), Amoco Inc. of USA (Amoco with 13% stake) and National Iranian Oil Company (NIOC with 13% stake). In 1985, Amoco divested its equity holding in favour of Government of India (GoI). In 2000-01, GoI sold its stake in CPCL to Indian Oil Corporation Limited (IOCL) as part of its efforts to insulate stand-alone refineries from market volatility following the dismantling of the Administered Pricing Mechanism (APM). As on December 31, 2018, IOC holds 51.89% stake, Naftiran Intertrade Company Ltd (Swiss-based subsidiary of NIOC) holds 15.4%, rest is held by FIs and Public.

CPCL is a standalone refiner and is engaged in crude refining at its two units located in Tamil Nadu at Manali (10.5 metric tonnes per annum (MMTPA)) and Cauvery Basin (1.0 MMTPA), with an aggregate capacity of 11.5 MMTPA. CPCL produces LPG, motor spirit, superior kerosene, aviation turbine fuel, high speed diesel, naphtha, bitumen, lube base stocks, paraffin wax, fuel oil, hexane and petrochemical feed stocks such as propylene.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	27,723	32,549
PBILDT	1,974	2,109
PAT	1,030	913
Overall gearing (times)	1.66	1.15
Interest coverage (times)	7.21	6.55

A: Audited

Status of non-cooperation with previous CRA:

Not Applicable

Any other information:

Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

About CARE Ratings:

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In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Bonds	–	–	–	0.00	Withdrawn

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Bonds	LT	-	-	-	1)CARE AAA; Stable (16-Feb-18)	1)CARE AAA; Stable (14-Mar-17)	1)CARE AAA (02-Nov-15)

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