

चेन्नै पेट्रोलियम कॉर्पोरेशन लिमिटेड

(इंडियनऑयल की ग्रुप कम्पनी)

Chennai Petroleum Corporation Limited

(A group company of IndianOil)



CS:01:076

17.10.2015

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

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

Dear Sir,

Pursuant to Clause 31(d) of the Listing Agreement, please find enclosed a copy of the Proceedings of the 49th Annual General Meeting of our Company held on 07.09.2015 along with a copy of the Chairman's Speech.

Kindly take the same on record.

Thanking you,

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

(P.Shankar)
Company Secretary

Encl.: a/a

Chennai Petroleum Corporation Limited
(A group company of IndianOil)

MINUTES OF THE 49th ANNUAL GENERAL MEETING OF THE SHAREHOLDERS
OF THE COMPANY HELD AT 03.00 P.M. ON MONDAY, THE 7TH SEPTEMBER
2015 AT KAMARAJ ARANGAM, 492, ANNA SALAI, CHENNAI-600 006

PRESENT

- 1) Mr.B.Ashok, Chairman
- 2) Mr.Gautam Roy, Managing Director
- 3) Mr.S.Venkataramana, Director(Operations)
- 4) Mr.U.Venkata Ramana, Director (Technical)
- 5) Mr.S. Krishna Prasad, Director (Finance)
- 6) Mr.G.Ramaswamy, Independent Director and also the Chairman of the Audit Committee, Remuneration Committee and Stakeholders Relationship Committee
- 7) Mr.Sanjiv Singh, Director and
- 8) Mr.P.Shankar, Company Secretary.

On behalf of Indian Oil Corporation Limited, Mr.Raju Ranganathan, Executive Director (Company Secretary & Law), Indian Oil Corporation Limited, was present.

Mr.R.Vaidyanathan and Mr.R.K.Velu representing M/s.S.Venkatram & Co., Chartered Accountants and Mr.S.Pattabiraman and Mr.P.N.Ramachandran representing M/s.Chandran and Raman, Chartered Accountants, the Statutory Auditors were present.

Mr.K.Suryanarayanan, the Cost Auditor was present.

Mr.S.Sandeep, Managing Partner, M/s.S.Sandeep and Associates, Secretarial Auditors was present.

Mrs.S.Lalitha, Practicing Company Secretary and the Scrutinizer was present.

Apart from the above, 3970 shareholders and 51 proxies attended.

Relevant documents as prescribed under the Companies Act 2013 were made available for inspection by the members.

PROCEEDINGS

- I. The Chairman welcomed the shareholders and declared that quorum was present.
- II. The Notice convening the meeting was taken as read.
- III. The Auditors' Report was read out by the Company Secretary.
- IV. The Chairman addressed the shareholders.

Chairman informed that the global economy registered a mixed performance and a moderate growth of 3.4% during 2014-15 with US reporting stronger than expected performance while Japan and China could not meet the expected growth level. In comparison, India recorded a healthy growth rate of 7.3% during the accounting year. He further informed that the Indian economy is expected to register a growth rate of over 7% in 2015-16, reflecting the benefits of the many focused measures initiated by the Government of India to improve business confidence and eliminate infrastructure bottlenecks in the country.

Chairman remarked that the global oil & gas sector underwent a significant change during the year 2014-15 with a steep fall in crude oil and petroleum product prices as a result of increased production of crude oil and shale gas by the United States. He stated that the average price for the Indian basket of crudes fell from \$ 105.52 per barrel in 2013-14 to \$ 84.16 per barrel in 2014-15 and the fall continues even now and the price has come down below \$ 50 per barrel.

Chairman added that the demand for petroleum products in India has increased from 158.4 million metric tonnes (MMT) in 2013-14 to 164.98 MMT in 2014-15, registering a growth rate of 4.15%, as compared to 0.9% growth in the previous year. He further informed that the production of petroleum products registered a growth rate of 0.2%, at 220.7 MMT during the year 2014-15.

Chairman informed that the Company achieved the highest ever crude oil throughput of 10.782 MMT during the year, as compared to 10.624 MMT during the previous year, with Manali Refinery achieving the highest-ever throughput of 10.251 MMT. He mentioned

that during the year, the Company achieved the highest-ever production of distillates at 72.1 %, as against the previous best of 71.4 % in 2013-14.

Chairman highlighted that by maintaining excellent operational performance round-the-year and by implementing several effective energy conservation measures, the Company reduced the Fuel & Loss from 8.78% in the previous year to the lowest-ever 8.65% during 2014-15. He added that an annualised fuel savings of 12,500 SRFT (standard refinery fuel per tonne) was realized during the year on account of implementation of energy conservation schemes. He stated that the Energy Index for Manali Refinery was the lowest ever at 62.3 MBN as compared to the previous best of 62.5 MBN in 2013-14.

Chairman remarked that despite achieving good physical performance, the company was constrained to post a net loss of Rs.38.99 crore, which was however much lesser than the loss of Rs.303.85 crore incurred in the previous year, mainly due to the huge inventory loss incurred on product and crude oil due to the continuously falling prices during the year. He explained that the loss before tax during the year was (Rs.742.39 crore) and the loss after tax was lower at (Rs.38.99 crore) consequent to recognition of deferred tax asset in the current year in respect of carry forward business loss and unabsorbed depreciation to the extent of deferred tax liability of Rs.703.40 crore accounted in the previous years in line with the opinion received from the Institute of Chartered Accountants of India.

Chairman stated that in view of the losses incurred during the year, the Company has not recommended dividend.

Chairman briefly explained the details of projects completed during the year like installation of 12 Mounded bullets for storage of LPG and Propylene at a cost of Rs.279 crore, construction of two crude oil storage tanks of 10,500 kilolitres (kl) each at Cauvery Basin Refinery to augment storage capacity at a cost of Rs.25 crore . He also highlighted the details of project under completion like Resid Upgradation project to maximise the distillates production at an estimated cost of Rs. 3110 crore, New crude oil pipeline at an estimated cost of Rs.257 crore. Chairman also stated that as part of the action plan to produce 100% BS IV quality fuels, the Company has developed a project to revamp and raise the capacity of the existing DHDS unit from 1.8 MMT per annum (MMTPA) to 2.34

MMTPA to ensure production of 100% BS-IV HSD with less than 10 PPM Sulphur content.

Chairman informed that highest priority was accorded to safety in operations and safety systems and procedures were made mandatory for all employees and contractors. He added that in line with the norms prescribed by the Oil Industry Safety Directorate (OISD), the Company is in the process of implementing automatic rim-seal fire detection and protection systems for large-size floating-roof storage tanks, to further enhance safety in operation.

Chairman stated that the Company continues to develop the competencies of its employees, who are the key drivers of performance and growth. He informed that, as part of skill development, training at an average of 2.5 man-days per employee were provided, with special focus on Leadership Development and Risk Management.

Chairman remarked that the Company continues to fulfil its role in Corporate Social Responsibility and Sustainable Development, with the objective of improving the quality of life of the communities in and around its refineries and for environment protection. He stated that despite the losses incurred during the preceding three financial years, Rs.116.58 lakhs was spent during the year 2014-15 on various CSR & sustainable development projects. He further informed that the company actively participated in the *Swachh Bharath* initiative of the Government of India and constructed 10 units of toilets in three schools in Chennai and Nagapattinam areas under the *Swachh Bharath* programme.

Chairman informed that the Company complied with the mandatory requirements of the guidelines on Corporate Governance issued by SEBI and DPE except for the requirement relating to the minimum number of Independent Directors, which is now less than half of the total strength of the Board, as observed by the Secretarial Auditor in his report dated 15.05.2015. The appointment of additional Independent Directors is under the consideration of the Government of India.

Chairman informed that the Company achieved a crude oil throughput of 2.843 MMT during the first quarter of 2015-16, as compared to 2.819 MMT in the corresponding

period of the previous year. He added that the distillate yield improved to 74.3% in the first quarter of the year as compared to 71.3% in the corresponding quarter of the previous year. He highlighted that the Profit After Tax improved to Rs.923.51 crore in the first quarter of the current year, as compared to Rs.510.11 crore in the corresponding quarter of the previous year. Chairman stated that subsequent to the approval of the shareholders through postal ballot in July 2015, approval from the Board of Indian Oil was obtained for subscription to 100,00,00,000 (100 crore) Non-convertible Redeemable Cumulative Preference Shares of Rs.10/- each in CPCL, amounting to Rs.1,000 crore, which will augment the net worth of your Company significantly.

While concluding his address, Chairman thanked the Ministry of Petroleum & Natural Gas, Oil Industry Development Board, Comptroller and Auditor General of India, Central Vigilance Commission, Ministry of Environment & Forest and other Ministries/Departments of Govt. of India, Govt. of Tamil Nadu, Naftiran Intertrade Co. Limited, Shareholders, Banks and Financial Institutions for their constant support and guidance.

Chairman informed the members that in line with the provisions of Companies Act 2013 and rules notified thereunder, the company had provided e-voting facility to its members to cast their vote on the resolutions proposed in the Notice of the Annual General Meeting. He added that the e-voting was open from 03rd September 2015 to 06th September 2015. He further informed that for those members who could not exercise their vote through e-voting process, the company has provided facility to vote at the Annual General Meeting and the ballot papers were available with the volunteers present in the AGM Venue.

Company Secretary explained the ballot process and informed that as per the Notice the following ordinary resolutions were proposed for approval of shareholders :

- 1) To receive, consider and adopt the Audited Financial Statement of Profit and Loss of the Company for the period from 1st April 2014 to 31st March 2015 and the Audited Balance Sheet as at 31st March 2015, together with the Director's Report and the Auditor's Report.
- 2) To appoint a Director in place of Mr.S.Venkataramana (**DIN:03282268**) who retires by rotation and being eligible, offers himself for reappointment.

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- 3) To appoint a Director in place of Mr.Sanjiv Singh (**DIN:05280701**) who retires by rotation and being eligible, offers himself for reappointment.
- 4) Appointment of Shri. Gautam Roy (DIN:06659522) as a Director of the Company.
- 5) Appointment of Shri.U.Venkata Ramana (DIN:07029234) as a Director of the Company.
- 6) Appointment of Shri.S.Krishna Prasad (DIN:03065333) as a Director of the Company.
- 7) Appointment of Ms.Perin Devi (DIN: 07145051) as a Director of the Company.
- 8) Ratification of remuneration of Cost Auditor for the year 2015-16.
- 9) Taking note of further reduction of more than 50% of the peak net worth of the Company.

Company Secretary further informed that the Company appointed Ms.S.Lalitha, a Practicing Company Secretary or in her absence Mrs.Bhoomijha Murali , a Practicing Company Secretary as Scrutinizer to conduct the scrutiny of e-voting as well as voting at the Annual General Meeting and requested the Scrutinizer to lock / seal the ballot box in the presence of members to enable the voting. He requested the members to cast their vote in the ballot papers provided and drop the same in the ballot boxes kept in the Auditorium.

Chairman then invited members to raise queries on the Annual Accounts, the Directors Report and the agenda of the Meeting as mentioned in the notice convening the meeting. With a view to facilitate participation of more members and to provide equal opportunities to speak, Chairman requested members to be brief and confine their queries to the business of the AGM and not to take more than a couple of minutes.

Members raised various queries, sought clarifications and made observations relating to the performance of the Company, which inter alia, included the following:

- Non declaration of dividend
- Non-receipt of Annual Report in time
- Appointment of Additional Independent Directors to fill the vacancies
- Delisting the shares from Madras Stock Exchange Limited
- Suggestion to bring ten year profile in the front portion of Annual Report

- Performance of Joint Venture companies
- Possibility of merging Chennai Petroleum Corporation Limited with its holding company Indian Oil Corporation Limited
- Effluent water issue
- Absence of Directors representing NICO and Government Director
- Convening of separate meeting of Independent Directors
- Inclusion of additional Key financial indicators
- Treatment of discount from ONGC
- Manpower strength
- Benefits of R&D
- Reasons for losses during the year
- Pending share transfers
- Capital infusion by IOCL / Dividend rate on proposed issue of preference shares
- Reasons for higher manufacturing expenses; reduction in turnover; contingent liabilities; Details of Provision for doubtful debts
- Hedging activities undertaken
- Disclosure of Risk Management Policy
- Measures taken to reduce the unclaimed dividend

Chairman, thereafter, replied to most of the queries, observations and clarifications sought by the members on the various issues. He thanked the members for the observations and suggestions.

After the question and answer session, Chairman informed that the result of the e-voting and the physical voting at the Annual General Meeting on the Resolutions transacted in the meeting shall be notified to the Stock Exchanges and hosted on the website of the company as per applicable provisions.

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Thereafter, the Chairman thanked the Members present and declared the meeting closed at 1730 hrs.

COMBINED SCRUTINIZER REPORT FOR E-VOTING & POLL

On the basis of the combined scrutinisers report dated 08.09.2015, Managing Director , based on the authorisation of the Chairman, announced the results of e-voting and the poll on 09.09.2015 which is as under:

Item No.1:-

To receive, consider and adopt the Audited Financial Statement of Profit and Loss of the Company for the period from 1st April 2014 to 31st March 2015 and the Audited Balance Sheet as at 31st March 2015, together with the Director's Report and the Auditor's Report.

The combined result of the voting (e-voting and poll) is as under:

i. Voted in Favour or Against the resolution:

Particulars	Number of Members voted (in person or by proxy)			Number of votes contained in			%
	E- Voting	Poll	Total	E-Voting	Poll	Total	
Voted in Favour	70	75	145	3,14,98,336	7,72,76,175	10,87,74,511	99.999
Voted Against	1	2	3	100	205	305	0.001
Total	71	77	148	3,14,98,436	7,72,76,380	10,87,74,816	100

The following ordinary resolution was therefore passed (e-voting and poll) with 99.99% votes:

"RESOLVED that the Audited Statement of Profit & Loss Account of the Company for the period from 1st April 2014 to 31st March 2015 and the Audited Balance Sheet as at 31st March 2015 together with the Directors' Report and the Auditors' Report thereon and the comments of the Comptroller and Auditor General of India ,be and are hereby adopted."

Item No.2:-

To appoint a Director in place of Mr.S.Venkataramana (DIN:03282268) who retires by rotation and being eligible, offers himself for reappointment.

The combined result of the voting (e-voting and poll) is as under:

i. Voted in Favour or Against the resolution:

Particulars	Number of Members voted (in person or by proxy)			Number of votes contained in			%
	E-Voting	Poll	Total	E-Voting	Poll	Total	
Voted in Favour	33	78	111	2,70,83,766	7,72,76,190	10,43,59,956	95.905
Voted Against	39	2	41	44,55,565	300	44,55,865	4.095
Total	72	80	152	3,15,39,331	7,72,76,490	10,88,15,821	100

The following ordinary resolution was therefore passed (e-voting and poll) with 95.905% votes.

“RESOLVED that Mr.S.Venkataramana (DIN:03282268) be and is hereby re-appointed as a Director of the Company.”

Item No.3:-

To appoint a Director in place of Mr.Sanjiv Singh (DIN:05280701) who retires by rotation and being eligible, offers himself for reappointment.

The combined result of the voting (e-voting and poll) is as under:

i. Voted in Favour or Against the resolution:

Particulars	Number of Members voted (in person or by proxy)			Number of votes contained in			%
	E-Voting	Poll	Total	E-Voting	Poll	Total	
Voted in Favour	44	77	121	2,89,11,114	7,72,76,140	10,61,87,254	97.584
Voted Against	28	2	31	26,28,307	300	26,28,607	2.416
Total	72	79	152	3,15,39,421	7,72,76,440	10,88,15,861	100

The following ordinary resolution was therefore passed (e-voting and poll) with 97.584% votes.

“RESOLVED that Mr.Sanjiv Singh (DIN:05280701) be and is hereby re-appointed as a Director of the Company.”

Item No.4:-

Appointment of Shri.Gautam Roy (DIN:06659522) as a Director of the Company.

The combined result of the voting (e-voting and poll) is as under:

i. Voted in Favour or Against the resolution:

Particulars	Number of Members voted (in person or by proxy)			Number of votes contained in			%
	E-Voting	Poll	Total	E-Voting	Poll	Total	
Voted in Favour	69	77	146	3,15,39,260	7,72,76,145	10,88,15,405	99.999
Voted Against	3	3	6	161	345	506	0.001
Total	72	80	152	3,15,39,421	7,72,76,490	10,88,15,911	100

The following ordinary resolution was therefore passed (e-voting and poll) with 99.99% votes:

“RESOLVED THAT pursuant to the provisions of Section 161(1) of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force and the Articles of Association of the Company, Shri Gautam Roy (DIN:06659522), who was appointed as an Additional Director and designated as Managing Director by the Board of Directors effective 14.10.2014 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as Managing Director of the Company, not liable to retire by rotation.”

Item No.5:-

Appointment of Shri.U.Venkata Ramana (DIN:07029234) as a Director of the Company.

The combined result of the voting (e-voting and poll) is as under:

i. Voted in Favour or Against the resolution:

Particulars	Number of Members voted (in person or by proxy)			Number of votes contained in			%
	E-Voting	Poll	Total	E-Voting	Poll	Total	
Voted in Favour	39	77	116	2,71,88,556	7,72,76,145	10,44,64,701	96.001

Voted Against	33	3	36	43,50,865	345	43,51,210	3.999
Total	72	80	152	3,15,39,421	7,72,76,490	10,88,15,911	100

The following ordinary resolution was therefore passed (e-voting and poll) with 96.001% votes:

"RESOLVED THAT pursuant to the provisions of Section 161(1) of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force and the Articles of Association of the Company, Shri U.Venkata Ramana (DIN:07029234), who was appointed as an Additional Director and designated as Director (Technical) by the Board of Directors effective 01.12.2014 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director (Technical) of the Company, liable to retire by rotation."

Item No.6:-

Appointment of Shri.S.Krishna Prasad (DIN:03065333) as a Director of the Company.

The combined result of the voting (e-voting and poll) is as under:

i. Voted in Favour or Against the resolution:

Particulars	Number of Members voted (in person or by proxy)			Number of votes contained in			%
	E- Voting	Poll	Total	E-Voting	Poll	Total	
Voted in Favour	36	77	113	2,70,84,376	7,72,76,145	10,43,60,521	95.905
Voted Against	36	3	39	44,55,045	345	44,55,390	4.095
Total	72	80	152	3,15,39,421	7,72,76,490	10,88,15,911	100

The following ordinary resolution was therefore passed (e-voting and poll) with 95.905% votes:

"RESOLVED THAT pursuant to the provisions of Section 161(1) of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force and the Articles of Association of the Company, Shri S.Krishna Prasad (DIN:03065333), who was appointed as an Additional Director and designated as Director (Finance) by the Board of Directors effective 09.01.2015 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby

appointed as Director (Finance) of the Company, liable to retire by rotation."

Item No.7:-

Appointment of Ms.Perin Devi (DIN: 07145051) as a Director of the Company.

The combined result of the voting (e-voting and poll) is as under:

i. Voted in Favour or Against the resolution:

Particulars	Number of Members voted (in person or by proxy)			Number of votes contained in			%
	E-Voting	Poll	Total	E-Voting	Poll	Total	
Voted in Favour	34	76	110	2,70,80,876	7,72,76,118	10,43,56,994	95.902
Voted Against	38	4	42	44,58,545	372	44,58,917	4.098
Total	72	80	152	3,15,39,421	7,72,76,490	10,88,15,911	100

The following ordinary resolution was therefore passed (e-voting and poll) with 95.902% votes:

***"RESOLVED** that pursuant to the provisions of Companies Act 2013 read with Rules made thereunder including any statutory modifications or re-enactment thereof for the time being in force, Ms.Perin Devi (DIN:07145051), who was appointed as an Additional Director by the Board of Directors effective 12.03.2015 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director liable to retire by rotation."*

Item No.8:-

Ratification of Remuneration of Cost Auditor for the year 2015-16.

The combined result of the voting (e-voting and poll) is as under:

i. Voted in Favour or Against the resolution:

Particulars	Number of Members voted (in person or by proxy)			Number of votes contained in			%
	E-Voting	Poll	Total	E-Voting	Poll	Total	
Voted in Favour	68	74	142	3,15,39,259	7,72,76,219	10,88,15,478	99.999

Voted Against	3	5	8	151	261	412	0.001
Total	71	79	150	3,15,39,410	7,72,76,480	10,88,15,890	100

The following ordinary resolution was therefore passed (e-voting and poll) with 99.999% votes:

“RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs.1,70,000 /- (Rupees one lakh seventy thousand only) plus applicable taxes and out of pocket expenses if any, to conduct the audit of cost accounts maintained by the company for the financial year 2015-16 payable to M/s.Krishnaswamy & Associates Cost Accountants, Chennai, the cost auditor of the company be and is hereby ratified”

Item No.9:-

Taking note of further reduction of more than 50% of the peak net worth of the Company

The combined result of the voting (e-voting and poll) is as under:

i. Voted in Favour or Against the resolution:

Particulars	Number of Members voted (in person or by proxy)			Number of votes contained in			%
	E-Voting	Poll	Total	E-Voting	Poll	Total	
Voted in Favour	65	74	139	3,15,35,749	7,72,76,368	10,88,12,117	99.996
Voted Against	7	4	11	3,672	77	3,749	0.004
Total	72	78	150	3,15,39,421	7,72,76,445	10,88,15,866	100

The following ordinary resolution was therefore passed (e-voting and poll) with 99.996% votes:

“RESOLVED THAT pursuant to the provisions of Section 23 and other applicable provisions of the Sick Industrial Companies (Special Provisions) Act 1985 (SICA) and other applicable Acts, the Company hereby considers and takes note of further reduction of more than 50% of the Networth of the Company as at the end of the financial year 31.03.2015 in relation to the peak networth of the company during the immediately preceding four financial years”

The results were hosted on the website of the company and also notified to the Stock Exchanges on 09.09.2015.

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